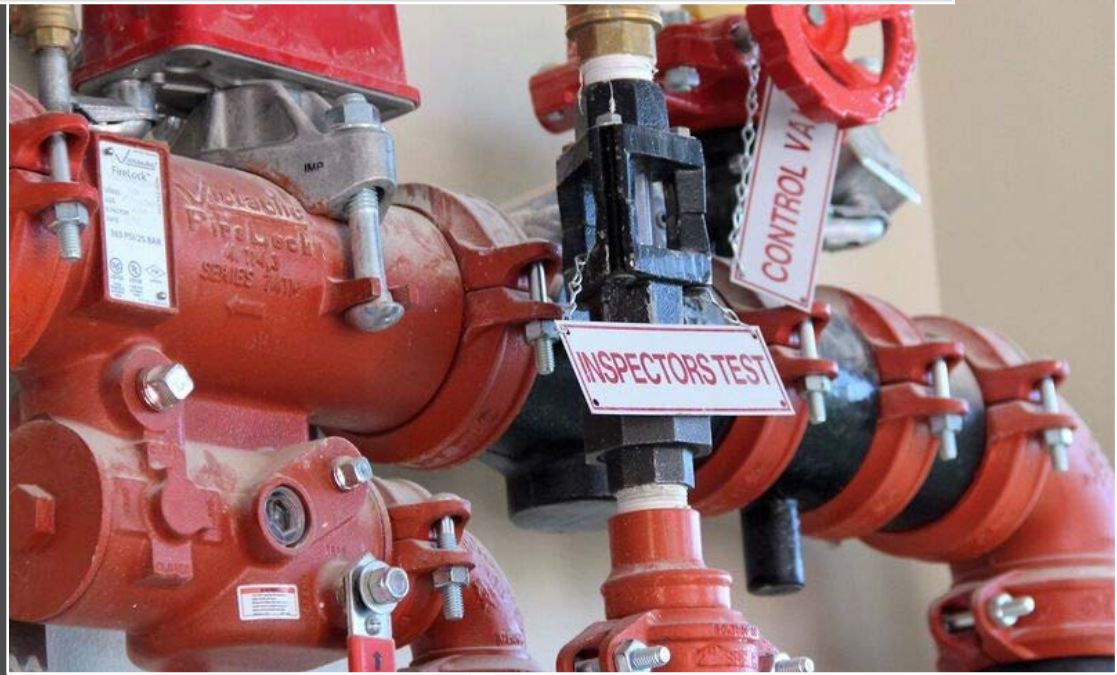


Poudre Fire Authority, Colorado

2016 Comprehensive Annual Financial Report



A Partnership of the City of Fort Collins and Poudre Valley Fire Protection District; Proudly serving Fort Collins, Timnath, LaPorte, Bellvue, Horsetooth, and Redstone Canyon, Colorado.

Year Ended December 31, 2016

Poudre Fire Authority

Poudre Fire Authority, Colorado

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Poudre Fire Authority

Comprehensive Annual Financial Report

For the fiscal year ended

December 31, 2016

Cover Photograph:

In-building fire sprinkler piping and control valves are an integral part of dynamic fire suppression systems. Dynamic fire suppression systems are like having a firefighter available in a business at all times. Working with owners and designers, Poudre Fire Authority reviews, inspects and tests fire sprinkler systems as another way to keep the built environment and the community safe. On April 9, 2016, a fire-sprinkler system extinguished a dryer fire at Fort Collins Health Care Center, 1000 S. Lemay Ave. This is particularly notable, given that the residents are elderly and may have trouble quickly evacuating the building in the event of a fire. On December 20, 2016, a fire-sprinkler system quickly put out a fire in a closet at Orthopedic & Spine Center of the Rockies, 2500 E. Prospect Road. There was an estimated \$5,000 in damage, but that number could have been far greater – and lives could have been put at greater risk – had the sprinkler system not existed and done the life- and property-saving job it was designed to do.

Prepared by Poudre Fire Authority Staff:

*Kirsten Howard, Finance and Budget Supervisor
Ann Turnquist, Administrative Services Director*

With assistance from the City of Fort Collins Finance Department:

*John Voss, Controller
Jennifer Selenske, Senior Accountant
Twyla Lance, Accountant II*

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INTRODUCTORY SECTION



June 10, 2016 Poudre River Rescue



Letter of Transmittal

July 26, 2017

Poudre Fire Authority Board of Directors

We submit, for your information and review, the Comprehensive Annual Financial Report (CAFR) for the Poudre Fire Authority, Fort Collins, Colorado, for the year ended December 31, 2016. This CAFR will be submitted to the Government Finance Officers Association (GFOA) for consideration of the Certificate of Achievement for Excellence in Financial Reporting. The certificate of achievement from GFOA will assist Poudre Fire Authority (the Authority) with compliance in Section 4b, Financial Practices, in the Center for Public Safety accreditation process.

This report consists of staff's representation concerning the finances of the Authority. Consequently, staff assumes responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed information is reported in a manner designed to present fairly the financial position and activities of the various funds of the Authority. The Authority has included all disclosures necessary to enable the reader to gain an understanding of the Authority's financial activities.

The Intergovernmental Agreement forming the Authority states in Section 5.2 (Records and Accounts) that the Board shall provide for the auditing of all books and accounts and other financial records of the Authority on an annual basis, with such auditing to be conducted by a certified public accountant. The independent accountant, RSM US LLP, concluded, based upon the audit, that there was reasonable basis for rendering an unmodified opinion that the Authority's financial statements for the fiscal year ended December 31, 2016 are fairly presented in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require 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. The Authority's MD&A can be found immediately following the report of the independent auditor.

Governmental Structure

The Poudre Fire Authority was formed in 1981 through the consolidation of the Poudre Valley Fire Protection District (PVFPD) and the City of Fort Collins Fire Department. Both jurisdictions adopted an intergovernmental agreement that outlines the governance of the Authority. The governing body is a five-member board of directors appointed by the City Council and District Board. The Authority Board of Directors appoints the Fire Chief.

This joining of forces enables the Authority to take a comprehensive, regional approach to the provision of emergency services. The results since 1981 include improved insurance ratings, lower long-term costs to the taxpayer, enhanced ability to respond to large crises situations, the elimination of duplication of resources, and long-range decision making as set forth in the past and current strategic plans. These plans are the product of an extensive process to develop a future vision of community needs and the most efficient and effective means to meet those needs. In addition, staff developed a Long-Range Financial Plan in 2015 which is included in the 2016 budget document and makes multi-year projections regarding the Authority's financial condition. The annual budget provides flexibility in the face of community change with annual review of the strategic plan and Long-Range Financial Plan.

The Authority is funded by the City of Fort Collins and the Poudre Valley Fire Protection District through a combination of property taxes in the District and property, sales, and use taxes in the City. It also receives some compensation from Fire Prevention Bureau fees, wildland firefighting, and hazardous materials responses provided outside of the jurisdiction.

Financial Condition: Economy, Long-Term Financial Planning and Major Initiatives

2016 Economic Information: The local unemployment rate was 2.2% at the end of 2016 and compares well to the State rate of 3.0% and the national rate of 4.7%. The Fort Collins community is vibrant with innovation; craft brewers, software, hardware, bioscience, and clean energy companies contribute inventions, ideas, and products that affect the local economy positively.

The Fort Collins population grew approximately 1.7%, and the population in the Poudre Valley Fire Protection District grew approximately 1.5%. The community relies heavily on sales and use tax revenues. In 2016, sales taxes and use taxes were up 4.4% and down 7.7%, respectively, for a blended increase of 1.8%. Inflation was 2.6%, as measured by the Denver-Boulder-Greeley Consumer Price Index for the second half of 2016 versus the second half of

2015. Assessed property values have experienced strong growth in recent years which contributes to positive growth in the essential economic indicators for the City and District. Building permits increased from 558 to 589 in 2016.

Overall government fund net position increased 18.4% in 2016. At year-end, the Authority held \$10,223,297 in unrestricted net position, which is a decrease of 10.7% from 2015. Please see page 24 for more information about the Authority's total net position.

Data-Driven and Transparent: The Authority actively embraces transparency, accountability, and continuous improvement. The Authority participates with the City of Fort Collins in its Open Book, which is an online tool designed to disclose expenses in a simple and easy to use format (fcgov.com/openbook), and in its Community Dashboard, an online tool that measures the community's progress in attaining key outcomes. The Authority reports two measures; percent of time fire contained to room of origin (96.2% in 4th quarter 2016) and percent of time Authority fire personnel are on scene within 5 minutes 45 seconds (86% in 4th quarter 2016). This tool can be accessed at fcgov.com/metrics. The Authority participates with the City of Fort Collins in the International City/County Managers Association (ICMA) Center for Performance Measurement survey to identify and report key outcome measures. The Authority has earned the ICMA Certificate of Excellence each year since 2012 and has applied for the award again in 2017.

Impact of Financial Policy on Financial Statements: The Authority Board has established financial policies, approved annually via Board resolution, which help to ensure financial stability. The Authority will adopt and maintain a balanced budget, as defined by state statute, wherein expenditures will not exceed available revenues plus beginning fund balances. Once the budget has been approved, the Board of Directors, upon recommendation of the Fire Chief, may make supplemental appropriations from prior year reserves and unanticipated revenue.

The modified accrual basis is used for budgeting and accounting. This means that revenues are recognized when they become measurable or available (cash basis), while expenditures are accounted for or recognized in the budgeting period incurred (accrual basis).

An unappropriated Reserve for Contingency of 3% of operating revenues can be accessed only by the Board of Directors. If the revenue reserve and contingency reserve are depleted below reserve policy level (6%), the fire chief will develop a restoration plan, which may include expenditure reductions; rate or fee increases; revenue transfers from other portions of fund balance or capital reserve, to restore balances over a two-year time period. The restoration plan will be a high financial priority and be reviewed and updated by the Authority Board every six months.

Intergovernmental Agreement/Revenue Allocation Formula: The Authority has begun to address its large funding challenges by addressing the long-term funding stream provided through the Intergovernmental Agreement's (IGA) Revenue Allocation Formula (RAF). On July 15, 2014, the Poudre Valley Fire Protection District Board and City Council approved a Restated Intergovernmental Agreement, between the two entities, establishing the Poudre Fire Authority. As a part of the IGA, the RAF was restated to utilize the City's sales, use, and property tax revenue forecasts to develop Authority funding, and the City's intent is to phase-in its total contribution to equal the RAF calculation over a five year period beginning in 2015.

Strategic Plan: Authority staff has developed a Strategic Plan (approved in March 2015), which will guide the Authority over the coming three to five years, and will involve internal and external stakeholders and will include goals and objectives to align the Authority's actions.

Accreditation: The Authority appeared before the Commission on Fire Accreditation International (CFAI) on August 27, 2015 and was awarded accredited status. During this meeting, the Authority presented its intended approach to the peer review team's recommendations. The Authority is integrating the processes and systems that have been established in an effort to ensure continuous quality improvement and placing continued focus on planning and analysis as a value to drive improved outcomes. In the second half of 2016, the Authority completed a response optimization study which resulted in a plan for more efficient apparatus placement. A long-term savings plan was formulated for improved alerting of response crews which will continue to improve overall response times. Finally, the organization continues to work towards improved accuracy of data entry through a quality assurance program and through the Risk Assessment/Standard of Cover Process.

Emergency Medical Services Agreement: The Northern Larimer County Emergency Response Area EMS agreement with UCH Health / Poudre Valley Hospital Emergency Medical Services was presented to the Authority Board on May 5, 2015 and approved. This agreement provides exclusive ambulance services within the Authority's jurisdiction, which will ensure continued, high quality ambulance services both within the Authority boundaries and in neighboring communities through a contractual agreement.

Timnath Intergovernmental Agreement: Authority staff and legal staff have completed work on amending and restating the IGA between the Authority/PVFPD and the Town of Timnath. The IGA was approved by the Town of Timnath, Timnath Development Authority, PVFPD and the Authority at the June 2015 meetings. The IGA will provide tax increment funding from Timnath, through PVFPD, for the Authority's budget. The IGA stipulates that a portion of the increment is for the construction of Fire Station 8 to be located in Timnath. Construction of Station 8 was completed in 2016 with a grand opening of the station on December 28, 2016.

Other Information:

The Authority acknowledges the dedicated efforts of all officials and City and Authority staff involved in managing and accounting for the Authority’s financial operations. The process of financial planning, management, and accounting requires a team effort by the Authority Board of Directors, PVFPD Board of Directors, City Council, and City and Authority staff to be successful. The preparation of this 2016 Comprehensive Annual Financial Report was made possible by the dedicated service of the City’s Finance Department as well as Authority Budget staff, who worked many extra hours to ensure the completion of this document while fulfilling other responsibilities over the past few months. The Authority would also like to recognize and thank RSM US LLP, the firm that serves as the Authority’s external auditor.

Respectfully submitted,



Tom DeMint
Fire Chief



Ann Turnquist
Administrative Services Director



Kirsten Howard
Finance and Budget Supervisor



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Poudre Fire Authority
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

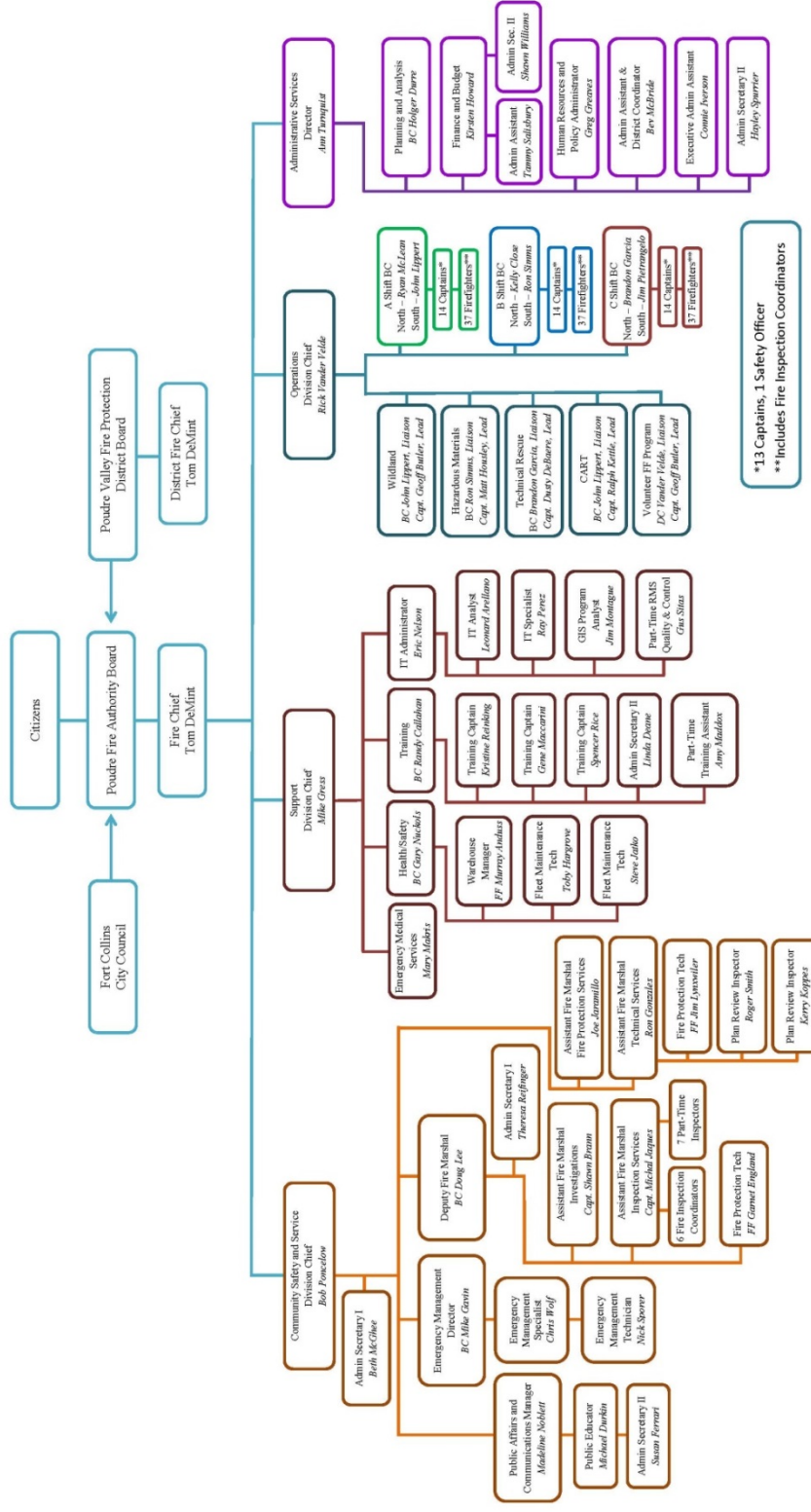
December 31, 2015

Jeffrey R. Emery
Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Poudre Fire Authority for its comprehensive annual financial report for the fiscal year ended December 31, 2015. This was the third consecutive year the Authority has achieved this prestigious award. 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.

Poudre Fire Authority Organizational Chart



*13 Captains, 1 Safety Officer
 **Includes Fire Inspection Coordinators

Elected Officials and Poudre Fire Authority Senior Leadership
As of December 31, 2016

Poudre Valley Fire Protection District Board of Directors

Earlie Thomas, Chair
Ron Anthony, Vice Chair
Dave Pusey, Secretary/Treasurer
Michael DiTullio, Board member
James Gentry, Board member

Fort Collins City Council

Wade Troxell, Mayor
Bob Overbeck, Councilmember, District 1
Ray Martinez, Councilmember, District 2
Gino Campana, Councilmember, District 3
Kristin Stephens, Councilmember, District 4
Ross Cunniff, Councilmember, District 5
Gerry Horak, Mayor Pro Tem, Councilmember, District 6

Poudre Fire Authority Board of Directors

Michael DiTullio, Chair
Gerry Horak, Vice Chair
Kristin Stephens, Board member
Dave Pusey, Board member
Darin Atteberry, City Manager, Board member

Poudre Fire Authority Senior Leadership

Tom DeMint, Fire Chief
Ann Turnquist, Administrative Services Director
Bob Poncelow, Community Safety and Service Division Chief
Kirsten Howard, Budget and Board Supervisor
Rick Vander Velde, Operations Division Chief

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FINANCIAL SECTION



September 1, 2016 West Trilby Fire

Independent Auditor's Report

Board of Directors
Poudre Fire Authority
Fort Collins, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Poudre Fire Authority (the Authority) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Poudre Fire Authority, as of December 31, 2016, and the respective changes in financial position and, the budgetary comparisons for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 14 through 21 and the Other Postemployment Benefits Plan Schedule of Funding Progress on page 53, 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 Authority's basic financial statements. The accompanying budgetary comparison schedule for the Capital Projects Fund listed in the table of contents as supplementary information, and the other information, such as the introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Capital Projects Fund budgetary comparison schedule 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, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

RSM US LLP

Denver, Colorado

July 26, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

Poudre Fire Authority (the Authority) offers the readers of the Authority's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended December 31, 2016. In addition to this overview and analysis based on currently known facts, decisions and conditions, the Authority would encourage readers to consider the information presented in the Authority's basic financial statements, which begin on page 24 of this report.

Financial Highlights

The assets of the Authority exceeded its liabilities at the end of the fiscal year ended December 31, 2016 by \$38,783,849 (net position). Of the net position balance, \$10,223,297 is unrestricted and is available to meet the Authority's ongoing obligations in accordance with the Authority's fund designations and fiscal policies.

The General Fund, the Authority's primary operating fund, reported an increase of \$878,626 (12.9%) in fund balance.

The Capital Projects Fund reported a decrease of \$2,370,997 (-30.4%) in fund balance.

The City of Fort Collins (City) contributed more revenue in 2016 versus 2015 due to the Amended and Restated Intergovernmental Agreement establishing the Authority, and in particular, through the Revenue Allocation Formula, which, in 2016, was in its second year of a 5-year phase-in adjustment (\$2.6 million over 5 years). In 2016 the Keep Fort Collins Great (KFCG) contribution increased by 12.1%. Increases in revenue were offset somewhat by increased Operations costs in 2016 by adding a deputy fire marshal, an EMS educator, two secretaries, a public education coordinator, three firefighter and increases in salaries and benefits. The 2016 budget supported the implementation of Accreditation recommendations and initiatives to achieve strategic goals, capital funding, and facility maintenance.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements consist of the following three components: 1) Government-wide Financial Statements, 2) Fund Financial Statements and 3) Notes to the Financial Statements. Other supplementary information is also included at the end of the report.

Government-wide Financial Statements. The government-wide statements are designed to provide readers with a broad overview of the Authority's finances using the accrual basis of accounting, the basis of accounting used by most private-sector businesses.

The statement of net position presents information on all of the Authority's assets and liabilities. The difference between assets and liabilities is reported as net position. Over time, increases and decreases in net position may provide an indication of whether the Authority's financial position is improving or deteriorating.

The statement of activities presents information reflecting how the Authority's net position has changed during the fiscal year just ended. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., earned but unused vacation leave).

The government-wide financial statements distinguish functions of the Authority that are principally supported by 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 Authority include administration, operations, and fire prevention. The Authority does not currently have any business-type activities.

Fund Financial Statements. Traditional users of the Authority's financial statements will find the fund financial statement presentation more familiar. The focus is on major funds rather than fund types. 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. A major fund should generally meet both of the following criteria: 1) total assets, liabilities, revenues, or expenditures/expenses are at least 10% of the corresponding total (assets, liabilities, etc.) for that fund type (i.e., governmental or enterprise funds) and 2) total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.

The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Both of the Authority's funds, General Fund and Capital Projects Fund, are governmental funds.

Governmental funds. Governmental funds are used to report those same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, the fund financial statements are prepared on the modified accrual basis. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available, and expenditures are recognized when the related fund liability is incurred, with the exception of long-term debt and similar long-term items which are recorded when due. Therefore, the focus of the governmental fund financial statements is on near-term inflows and outflows of spendable resources as well as on the balance of spendable resources available at the end of the fiscal year.

Since the focus of the governmental funds is on near-term resources, it is useful to compare the information presented for governmental funds with similar information presented for

governmental activities in the government-wide financial statements. To facilitate this comparison, reconciliations are provided for both the governmental fund balance sheet and the governmental statement of revenues, expenditures, and changes in fund balances.

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 and the Capital Projects Fund. Both of these funds are considered to be major funds.

The Authority adopts an annual appropriated budget for all of its governmental funds. A budgetary comparison statement has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 24-29 of this report.

Notes to the financial statements. The notes to the financial statements are considered an integral part of the basic financial statements since they provide additional information needed to gain a full understanding of the data provided in both the government-wide and fund financial statements. The notes to the financial statements can be found on pages 32-51 of this report.

Statement of Net Position

The following table reflects the condensed Statement of Net Position.

Statement of Net Position as of December 31		
	2016	2015
Current and other assets	\$ 14,760,078	\$ 15,636,732
Capital assets	29,394,221	21,997,031
Total assets	44,154,299	37,633,763
Current liabilities	3,263,153	2,626,357
Long-term liabilities	2,107,297	2,263,290
Total liabilities	5,370,450	4,889,647
Net position:		
Net investment in capital assets	27,350,984	19,808,912
Restricted	1,209,568	756,922
Unrestricted	10,223,297	12,178,282
Total net position	\$ 38,783,849	\$ 32,744,116

For more detailed information, see page 24 for the Statement of Net Position.

The largest portion of the Authority's net position (70.5%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less any debt used to acquire those assets which is still outstanding. The Authority uses these capital assets to provide emergency services to citizens; consequently, these assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of related debt, it should be noted 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.

The restricted balance in net position, \$1,209,568 consists of \$562,309 for Keep Fort Collins Great revenues received which were not expended in 2016 for fire protection needs voted for by the citizens of Fort Collins and \$647,259 for agreements.

The balance of unrestricted net position, \$10,223,297, may be used to meet the Authority's ongoing obligations to its citizens and employees.

The Authority's total net position increased \$6,039,733 during the current fiscal year.

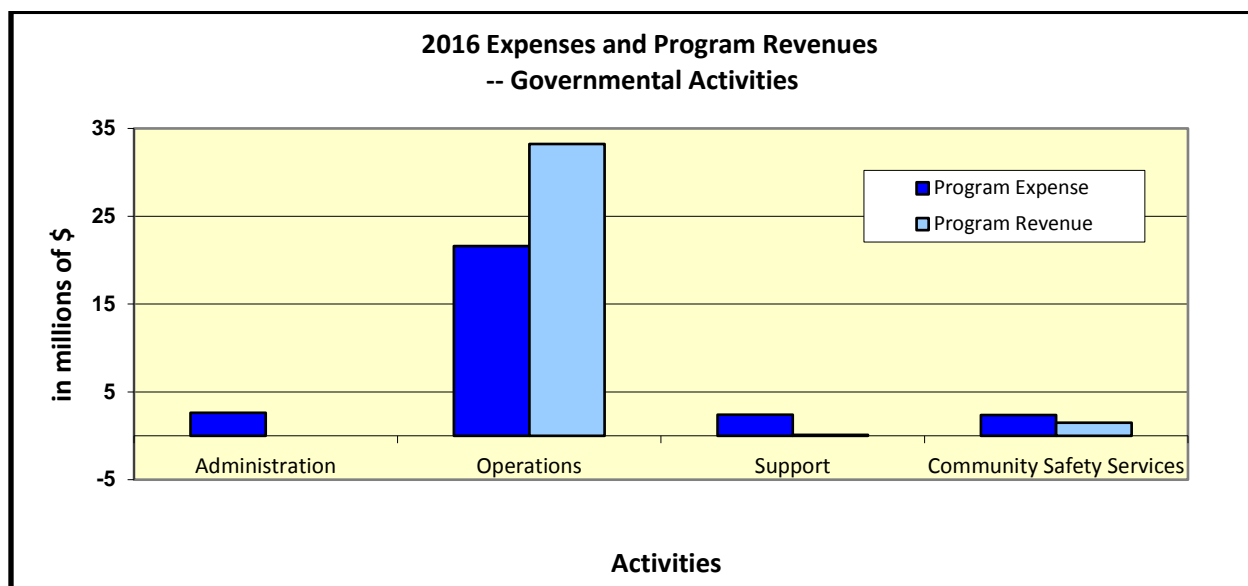
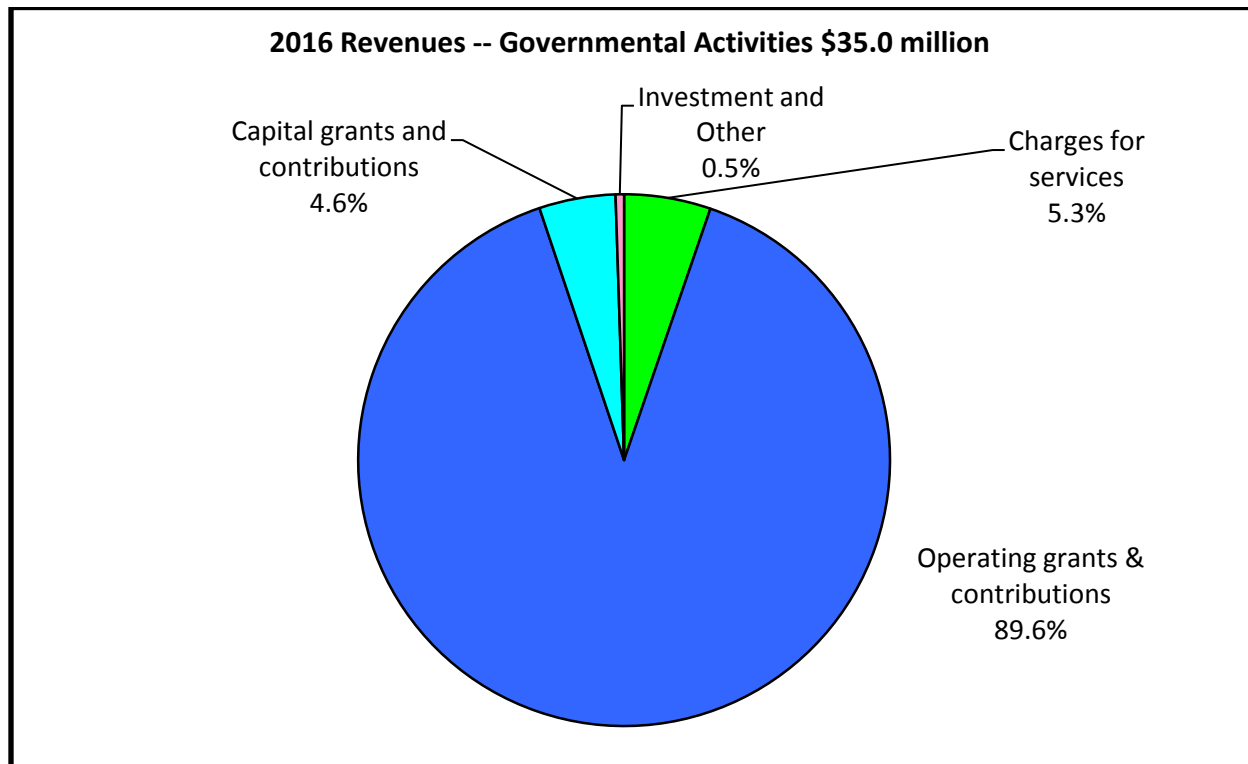
Changes in Net Position: The following table reflects a condensed summary of the activities and changes in net position. For more detailed information, see page 25 of this report.

Statement of Activities & Changes in Net Position

December 31

	2016	2015
Revenues:		
Program revenues:		
Charges for services	\$ 1,844,059	\$ 1,667,189
Operating grants and contributions	31,375,784	26,079,268
Capital grants and contributions	1,626,130	1,626,130
General revenues:		
Investment earnings	63,643	152,932
Sale of equipment	36,529	-
Miscellaneous revenue	79,398	91,606
Total Revenues	35,025,543	29,617,125
Expenses:		
Administration	2,630,071	2,572,131
Operations	21,609,444	22,760,470
Support	2,393,352	-
Community Safety Services	2,352,943	1,989,811
Total expenses	28,985,810	27,322,412
Change in net position	6,039,733	2,294,713
Net position - beginning	32,744,116	30,449,403
Net position - ending	\$ 38,783,849	\$ 32,744,116

The Authority is funded by the City of Fort Collins and the Poudre Valley Fire Protection District through a combination of property taxes in the District and property, sales, and use taxes in the City. It also receives some compensation from wildland firefighting, hazardous materials responses provided outside of the jurisdiction, interest income, and charges for service within the Community Safety and Service Division, such as building plan and sprinkler review fees. The four Divisions of the Authority (Administration, Operations, Support, and Community Safety and Service) make up the General Fund and are funded by the aforementioned revenues.



Financial Analysis of the Authority's Funds

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

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

At the end of the current fiscal year, the Authority's governmental funds reported combined ending fund balances of \$13,112,523, a decrease of \$1,492,371 as compared to the prior year. Of the ending fund balance, \$5,439,273 (41.5%) represents unassigned fund balance, which is available for spending at the government's discretion, \$1,209,568 (9.2%) is for voter approved initiatives and contractual agreements, \$936,227(7.1%) is committed for emergencies, and \$5,527,455 (42.2%) is assigned to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior period.

The general fund is the chief operating fund of the Authority. At the end of the current fiscal year, unassigned fund balance of the general fund was \$5,439,273; restricted fund balance was \$1,209,568; and assigned fund balance was \$86,985. The total fund balance was \$7,672,053.

The fund balance of the Authority's general fund increased \$878,626. This is due to higher revenues; particularly fees and charges for services and Northern Colorado Regional Communications Network revenue while keeping expenditures comparable to prior year.

The fund balance of the Authority's capital projects fund decreased by \$2,370,997. This is due to the purchase of three fire apparatus, the replacement of Self-Contained Breathing Apparatus (SCBA), and the construction of Station 8 in Timnath.

Budgetary Highlights

Governmental Funds

General Fund: The increase from the total original budgeted expenditures to the final budget amounted to \$1,280,184 and can be summarized as follows:

Appropriations of \$1,280,184 were approved by the Authority Board from reserves, unanticipated revenue, and grant funds for SCBA replacement, radio replacement, Station 8 construction, Emergency Operations Center upgrades, apparatus replacement, Office of Emergency Management, EMS contract fund, FEMA Fire Prevention Grant and prior year encumbrances.

General Fund. Actual expenditures were \$1,661,994 less than total final budgeted expenditures and can be summarized as follows:

Actual expenditures were less than budgeted by 5.8 % due to positive balances in the Administration budget in contingency, in Operations personnel costs (funds to over hire if necessary, and actual expenditures were offset by three Operations retirements in 2016), in the Community Safety and Service Division, personnel costs (three position were vacant and the Deputy Fire Marshal was hired midway through 2016), and in Support personnel costs (one vacant position and the retirement of a captain being offset by hiring a civilian mid-year).

Capital Assets

The Authority's investment in capital assets as of December 31, 2016 amounted to \$29,394,221 (net of accumulated depreciation).

Capital Assets Net of Depreciation
as of December 31

	<u>2016</u>	<u>2015</u>
Land	\$ 1,447,824	\$ 1,447,824
Construction in progress	-	613,880
Building & improvements	17,465,863	12,828,981
Improvements other than buildings	1,552,458	1,657,025
Machinery & equipment	<u>8,928,076</u>	<u>5,449,321</u>
Total Capital Assets	<u>\$ 29,394,221</u>	<u>\$ 21,997,031</u>

Additional information on the Authority's capital assets can be found on page 42 of this report.

Long-Term Debt

At the end of the current fiscal year, the Authority had total debt outstanding of \$2,043,237, which consisted of capital lease obligations. The balance decreased by \$144,882 from fiscal year ended December 31, 2015 due to scheduled principal payments. Additional information on the Authority's long-term debt can be found on page 44 of this report.

Economic Factors

The Authority is impacted by the economic recovery. Sales and use tax collections for the City of Fort Collins, one of the Authority joint venture partners, increased, and the PVFPD property tax collections have ceased to decline which signals stabilization in property values. Both the City and the District have benefitted from reduced interest rates and an increase in housing starts and building activity. An increase in retail sales, especially autos, showed positive growth in specific ownership tax. These and other factors were considered when the Authority prepared its 2016 budget.

Financial Contact

The Authority's financial statements are designed to provide users (citizens, taxpayers, customers, and creditors) with a general overview of the Authority's finances and to demonstrate the Authority's accountability. Questions concerning any of the information presented in this report or requesting additional information should be addressed to the Authority Administrative Services Director, 102 Remington Street, Fort Collins, CO 80524.

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BASIC FINANCIAL STATEMENTS



Station 8 Grand Opening – December 28, 2016

**STATEMENT OF NET POSITION
DECEMBER 31, 2016**

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 2,208,450
Investments	12,428,795
Receivables:	
Interest	41,778
Accounts	81,055
Non-current assets:	
Capital assets (non-depreciable)	1,447,824
Capital assets (net of accumulated depreciation)	<u>27,946,397</u>
 Total Assets	 <u>44,154,299</u>
LIABILITIES	
Current liabilities:	
Accounts payable	703,734
Accrued expenses and other	4,455
Wages payable	943,094
Due within one year, compensated absences	1,461,064
Due within one year, capital leases	150,806
Non-current liabilities:	
Due in more than one year, postemployment healthcare obligation	214,866
Due in more than one year, capital leases	<u>1,892,431</u>
 Total Liabilities	 <u>5,370,450</u>
NET POSITION	
Net investment in capital assets	27,350,984
Restricted for Keep Fort Collins Great	562,309
Restricted for Northern Colorado Regional Communications Network	647,259
Unrestricted	<u>10,223,297</u>
 Total Net Position	 <u>\$ 38,783,849</u>

The notes to the financial statements are an integral part of this statement.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Functions/ Programs				
	Total	Administration	Operations	Support	Community Safety Service
GOVERNMENTAL ACTIVITIES:					
EXPENSES:					
Personnel services	\$ 23,770,076	\$ 1,195,799	\$ 18,624,946	\$ 1,898,751	\$ 2,050,580
Contractual services	2,195,409	912,376	1,001,530	165,866	115,637
Commodities	1,369,940	44,108	844,042	328,735	153,055
Other	5,948	3,074	2,874	-	-
Interest	89,472	89,472	-	-	-
Depreciation	1,554,965	385,242	1,136,052	-	33,671
Total Expenses	28,985,810	2,630,071	21,609,444	2,393,352	2,352,943
PROGRAM REVENUES:					
Charges for services	1,844,059	-	230,715	118,333	1,495,011
Operating grants and contributions	31,375,784	-	31,375,784	-	-
Capital grants and contributions	1,626,130	-	1,626,130	-	-
Total Program Revenues	34,845,973	-	33,232,629	118,333	1,495,011
Net Program Revenue (Expense)	5,860,163	\$ (2,630,071)	\$ 11,623,185	\$ (2,275,019)	\$ (857,932)
GENERAL REVENUES:					
Investment earnings	63,643				
Sale of capital assets	36,529				
Other miscellaneous	79,398				
Total General Revenues	179,570				
Change in Net Position	6,039,733				
Net Position - January 1	32,744,116				
Net Position - December 31	\$ 38,783,849				

The notes to the financial statements are an integral part of this statement.

**GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2016**

	<u>General</u>	<u>Capital Projects</u>	<u>Total Governmental</u>
ASSETS			
Cash and cash equivalents	\$ 1,824,716	\$ 383,734	\$ 2,208,450
Investments	6,932,052	5,496,743	12,428,795
Receivables:			
Accounts	79,555	1,500	81,055
Interest	23,506	18,272	41,778
	<u>8,859,829</u>	<u>5,900,249</u>	<u>14,760,078</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	243,955	459,779	703,734
Wages payable	943,094	-	943,094
Deposits held	727	-	727
	<u>1,187,776</u>	<u>459,779</u>	<u>1,647,555</u>
Fund Balances			
Restricted	1,209,568	-	1,209,568
Committed	936,227	-	936,227
Assigned	86,985	5,440,470	5,527,455
Unassigned	5,439,273	-	5,439,273
	<u>7,672,053</u>	<u>5,440,470</u>	<u>13,112,523</u>
Total Liabilities and Fund Balances	<u>\$ 8,859,829</u>	<u>\$ 5,900,249</u>	<u>\$ 14,760,078</u>

The notes to the financial statements are an integral part of this statement.

**RECONCILIATION OF THE BALANCE SHEET OF THE
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2016**

Amounts reported for governmental activities in the statement of net position (page 24)
are different because:

Total fund balances - governmental funds (page 26)	\$ 13,112,523
Capital assets net of accumulated depreciation used in governmental activities are not current financial resources. Therefore they are not reported in the funds.	29,394,221
Compensated absences that are not due and payable in the current period and therefore are not reported in the funds.	(1,461,064)
Long-term liabilities, are not due and payable in the current period and therefore are not not reported in funds:	
Interest payable	(3,728)
Postemployment healthcare obligation	(214,866)
Capital lease obligations	<u>(2,043,237)</u>
Net position of governmental activities (page 24)	<u>\$ 38,783,849</u>

The notes to the financial statements are an integral part of this statement.

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>General</u>	<u>Capital Projects</u>	<u>Total Governmental</u>
REVENUES			
Intergovernmental	\$ 27,306,432	\$ 5,533,005	\$ 32,839,437
Fees and charges for services	1,725,726	-	1,725,726
Earnings on investments	19,196	44,447	63,643
Licenses and permits	162,477	-	162,477
Miscellaneous revenue	165,693	32,038	197,731
Total Revenues	<u>29,379,524</u>	<u>5,609,490</u>	<u>34,989,014</u>
EXPENDITURES			
Current:			
Operations	18,814,461	-	18,814,461
Administration	2,109,083	-	2,109,083
Support	4,027,419	-	4,027,419
Community safety service	2,240,654	-	2,240,654
Grant projects	220,486	-	220,486
Capital outlay	269,116	8,602,341	8,871,457
Debt service:			
Principal retirement	144,882	-	144,882
Interest	89,472	-	89,472
Total Expenditures	<u>27,915,573</u>	<u>8,602,341</u>	<u>36,517,914</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,463,951</u>	<u>(2,992,851)</u>	<u>(1,528,900)</u>
OTHER FINANCING SOURCES AND USES			
Proceeds from sale of capital assets	-	36,529	36,529
Transfers in	323,456	858,781	1,182,237
Transfers out	(908,781)	(273,456)	(1,182,237)
Total Other Financing Sources	<u>(585,325)</u>	<u>621,854</u>	<u>36,529</u>
Net Change in Fund Balances	878,626	(2,370,997)	(1,492,371)
Fund Balances--January 1	<u>6,793,427</u>	<u>7,811,467</u>	<u>14,604,894</u>
Fund Balances--December 31	<u>\$ 7,672,053</u>	<u>\$ 5,440,470</u>	<u>\$ 13,112,523</u>

The notes to the financial statements are an integral part of this statement.

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

Amounts reported for governmental activities in the statement of activities (page 25) are different because:

Net change in fund balances - total governmental funds (page 28)	\$ (1,492,371)
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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. This is the amount by which capital outlays exceeded depreciation in the current period.

Expenditures for capital assets	8,952,155
Less current year depreciation	<u>(1,554,965)</u>
	7,397,190

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 governmental funds.

Change in compensated absences	(15,155)
Change in postemployment health benefits	5,187
Principal payments on capital leases	<u>144,882</u>
	134,914

Change in net position of governmental activities (page 25)	<u><u>\$ 6,039,733</u></u>
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The notes to the financial statements are an integral part of this statement.

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Actual</u>
REVENUES				
Intergovernmental	\$27,306,432	\$25,345,870	\$27,559,313	\$ (252,881)
Fees and charges for services	1,725,726	652,281	721,571	1,004,155
Earnings on investments	19,196	40,000	40,000	(20,804)
Licenses and permits	162,477	134,358	134,358	28,119
Miscellaneous revenue	165,693	60,500	216,614	(50,921)
Total Revenues	<u>29,379,524</u>	<u>26,233,009</u>	<u>28,671,856</u>	<u>707,668</u>
EXPENDITURES				
Personnel costs	23,754,922	24,132,795	24,187,393	432,471
Purchased professional/technical services	372,825	380,259	391,039	18,214
Purchased property services	729,608	602,707	611,274	(118,334)
Other purchased services	1,090,213	1,055,425	1,048,497	(41,716)
Supplies	1,453,400	1,282,323	1,556,838	103,438
Capital outlay	269,116	218,000	310,652	41,536
Other	11,135	279,756	280,756	269,621
Principal	144,882	144,882	144,882	-
Interest	89,472	89,472	89,472	-
Transfers	585,325	697,089	1,542,089	956,764
Total Expenditures	<u>28,500,898</u>	<u>\$28,882,708</u>	<u>\$30,162,892</u>	<u>\$ 1,661,994</u>
Excess of Revenues Over (Under) Expenditures	878,626			
Fund Balance--January 1	<u>6,793,427</u>			
Fund Balance--December 31	<u>\$ 7,672,053</u>			

The notes to the financial statements are an integral part of this statement.

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NOTES TO THE FINANCIAL STATEMENTS

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NOTE I. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

An intergovernmental agreement between the City of Fort Collins (the City) and the Poudre Valley Fire Protection District (the District) established the Poudre Fire Authority (the Authority) on December 22, 1981 and was amended and restated on July 15, 2014. The 1981 agreement conveyed all fire protection property of the City and the District to the Authority and all firefighters of the City and the District became employees of the Authority.

The 2014 amended and restated agreement updated general terms of the 1981 agreement such as the language to appoint the 5th member of the Authority Board, the impact of annexations on the Revenue Allocation Formula, appointment of a legal advisor to Authority, and consolidation of the 1981 agreement and amendments thereto. However, updating and revising the Revenue Allocation Formula, which details the financial contribution of the PVFPD and City of Fort Collins to the operation of the Authority, was the key change to the agreement.

The more significant accounting policies reflected in the financial statements are summarized as follows:

A. Reporting Entity

The Authority was created as an independent governmental entity to provide consolidated fire and rescue service within the territorial limits of the City and the District. The Authority is administered by a governing board of five members who are appointed by the City and the District. Funding is provided to the Authority from these two entities.

The Authority is considered a stand-alone government for financial reporting purposes. As such, it follows the same principles as if it were a primary government as defined by the Governmental Accounting Standards Board (GASB) Codification.

The reporting entity of the Authority consists of its own legal entity and those organizations for which it is financially accountable. Entities for which the nature and significance of their relationship with the Authority are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are included in the reporting entity. As of December 31, 2016, there are no legal entities that meet this criterion.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the government. The effect of interfund activity has been removed from these statements. All activities of the Authority are governmental activities, which are generally supported by intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or program is offset by program revenues. Direct expenses are those that are clearly associated with a specific function or program. 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 program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Investment earnings and other items not properly included among program revenues are reported instead as general revenues.

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

C. Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. As under accrual accounting, expenditures are generally recorded when a liability is incurred. However, debt service expenditures, as well as those related to compensated absences and incurred claims and judgments, are recorded only when payment is due.

Charges for services, amounts due from other governments and interest associated with the current fiscal period are all considered to be susceptible to accrual. Other revenue items such as licenses and permits are considered to be measurable and available only when the cash is received by the Authority; as a result, they are not susceptible to accrual.

D. Financial Statement Presentation

The accounts of the Authority are organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures. The various funds are summarized by type within the financial statements.

The Authority reports the following major governmental funds:

The General fund is the Authority's primary operating fund. It accounts for all financial resources of the Authority, except those required to be accounted for in another fund.

The Capital Projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities. Revenues and other financing sources are derived primarily from intergovernmental revenue or transfers from other funds.

E. Budgetary Data

Budgetary Accounting and Control

Appropriated budgets are established for all funds of the Authority.

General Fund

The budget for the general fund is adopted on a basis which is consistent with generally accepted accounting principles (GAAP).

Capital Projects Fund

The Capital Projects Fund budget is not consistent with GAAP because appropriations do not lapse at year end.

Legal Level of Control

The legal level of budgetary control is at the individual fund level, except for capital projects and federal and state grants for which the legal level of control is at the project or grant level. For budgetary purposes, operating transfers are considered expenditures.

Lapsing Appropriations

All appropriations unexpended or unencumbered lapse at the end of the year to the applicable fund, except capital project and federal and state grant appropriations which lapse when the project or grant activity is completed. Appropriations which are encumbered at year end are carried over to the ensuing year at which time they are matched with their corresponding expenditures.

Budgetary Procedures

The Authority's budget is approved by the governing board prior to the commencement of the fiscal year. The Authority's management may transfer any unused budgeted amount or portion thereof from one budget category to any other budget category at the legal level of budgetary control without approval of the Board. Other budget amendments must be approved in the form of a resolution by the Board.

Five resolutions making supplemental appropriations to the original adopted budget were enacted during 2016.

Encumbrances

Encumbrance accounting is utilized by the Authority to record purchase orders, contracts and other commitments for the expenditure of monies to assure effective budgetary control and accountability. Encumbrances outstanding at year end represent the estimated amount of expenditures likely to result if orders for goods and services are completed. In governmental funds, encumbrances outstanding at year end are reported as assigned fund balance since they do not represent expenditures or liabilities.

F. Assets, Liabilities and Fund Balance/Net Position

Cash and Investments

The Authority has stated certain investments at fair value in accordance with the GASB Codification. Fair value is determined utilizing the third party custodian's statements, Wall Street Journal, Bloomberg, and other recognized pricing services.

The Authority's cash and investments are held in the name of and managed by the City of Fort Collins. Whenever possible, cash is pooled with the City's funds to enhance investment capabilities and maximize investment income. Investments are made taking into consideration cash flow needs, market conditions, and contingency plans. On behalf of the Authority, the City's investment policies prescribe eligible investments, investment diversification, and maturity and liquidity guidance, which are utilized in managing the investment portfolio.

Capital Assets

Capital assets, which are acquired or constructed, are reported at historical cost or estimated historical cost in the governmental column in the government-wide financial statements. Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of five years or greater. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Capital assets other than land and impaired assets are depreciated. Depreciation is computed using the straight-line method with estimated useful lives as follows:

Buildings.....	25-50 years
Improvements other than buildings	15-25 years
Machinery and equipment	5-15 years

Compensated Absences

The Authority allows employees to accumulate unused vacation pay and to defer overtime pay by accumulating compensatory leave up to maximum limits. Unused sick pay is not recognized as a liability because it does not meet the criteria for accrual. The liability associated with these benefits is reported in the government-wide financial statements. Compensated absences are considered a current liability as employees typically use the full balance in the subsequent year and the Authority records usage on a first in, first out basis.

Fund Balance/Net Position

In the fund financial statements, fund balance of the Authority’s governmental funds may be classified as nonspendable, restricted, committed, assigned or unassigned.

Nonspendable fund balances indicate amounts which cannot be spent either: a) due to form; for example, inventories and prepaid amounts or b) due to legal or contractual requirements to be maintained intact.

Restricted fund balances indicate amounts constrained for a specific purpose by external parties, constitutional provision or enabling legislation.

Committed fund balances indicate amounts constrained for a specific purpose by a government using its highest level of decision-making authority – a Board resolution. It would require action by the same governing body (Board of Directors) to remove or change the constraints placed on the resources. This action must occur prior to year-end; however, the amount can be determined in the subsequent period.

Assigned fund balances indicate amounts for governmental funds, other than the general fund, any remaining positive amounts not classified in the above categories. For the general fund, amounts constrained for the intent to be used for a specific purpose has been delegated to the Board of Directors which has authority to assign amounts. Amounts reported as assigned should not result in a deficit in the unassigned fund balance.

Unassigned fund balances indicate amounts in the general fund that are not classified as non-spendable, restricted, committed or assigned. The general fund is the only fund that would report a positive amount in unassigned fund balance. When both unassigned and committed or assigned resources are available for use, it is the Authority's policy to use committed or assigned resources first, then unassigned resources as needed.

In the government-wide fund financial statements, net position is restricted for amounts that are legally restricted by outside parties for specific purposes or through enabling legislation that is a legally enforceable restriction on the use of revenues. When both restricted and

unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvements of those assets. The government-wide statement of net position reports \$1,209,568 of restricted net position.

Estimates

The preparation of financial statements requires management to make estimates and assumptions which effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Adoption of New Accounting Pronouncements

The Authority implemented the following GASB Statement effective for the year ended December 31, 2016:

GASB Statement No. 72, Fair Value Measurement and Application. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosure related to all fair value measurements.

The GASB has issued several statements not yet implemented by the Authority. Authority management has not yet determined the effect the Statements will have on the financial statements. However, the Authority intends to implement all standards by the required dates. The Standards which may impact the Authority are as follows:

GASB Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement, issued June 2015, will be effective for the Authority beginning with its fiscal year ending December 31, 2018. The replaces the requirement sof GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* and requires governments to report a liability on the face of the financial statements for the OPEB they provide and outlines the reporting requirements by governments for defined benefit OPEB plans administered through a trust, cost-sharing OPEB plans administered through a trust and OPEB not provided through a trust. The Statement also requires governments to present more extensive note disclosures and required supplementary information about their OPEB liabilities. Some governments are legally responsible to make contributions directly to an OPEB plan or make benefit payments directly as OPEB comes due for employees of other governments. In certain circumstances, called special funding

situations, the Statement requires these governments to recognize in their financial statements a share of the other government's net OPEB liability.

GASB Statement No. 84, Fiduciary Activities. This statement, issued January 2017, will be effective for the Authority beginning with its fiscal year ending December 31, 2019. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

GASB Statement No. 87, Leases. This statement, issued June 2017, will be effective for the Authority beginning with its fiscal year ending December 31, 2019. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

NOTE II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Excess of Expenditures Over Appropriations In Individual Funds

The Authority has no excess of expenditures over appropriations at the fund level within each of the individual funds. The actual to budget comparisons for both governmental funds may reflect immaterial excess expenditures at the program or grant level within the fund.

NOTE III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The Authority's deposits and investments are held in the name of and managed by the City of Fort Collins. As such, they are not evidenced by accounts or securities in the Authority's name that exist in physical or book entry form.

Deposits

The carrying amount of the Authority's deposits held by the City of Fort Collins as of December 31, 2016 was \$2,208,450. The bank balance was \$2,307,821.

Custodial Credit Risk – Deposits

For deposits, custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits might not be returned. Due to the federal deposit insurance and the collateral, no deposits for the Authority were exposed to custodial credit risk.

Investments

Investment policies are governed by Colorado statute and the Authority's own investment policies and procedures. Investments of the Authority may include:

- Obligations of the United States such as T-bills, notes and bonds
- Bonds or other interest-bearing obligations of which the principal and interest are unconditionally guaranteed by the United States government, such as GNMA bonds, GNMA participation certificates and GNMA pass throughs.
- Debentures or similar obligations issued by a federal intermediate credit bank or by a bank for cooperatives.
- Notes or bonds secured by mortgages or trust deeds insured pursuant to Title II of the "National Housing Act" (the Act), obligations of national mortgage associations or similar credit institutions organized under Title III of the Act and debentures issued by the Federal Housing Administration under Section 204-A of the Act.
- Repurchase agreements of any marketable security, where the market value of such security is at all times at least equal to the monies involved and there is assignment of such security to the Authority or its agent.
- The City, on behalf of the Authority, invests in mortgage-backed securities. Mortgage-backed securities are based on cash flows from interest payments on the underlying mortgages. Therefore, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates. If interest rates decline and homeowners refinance mortgages, thereby prepaying the mortgages underlying these securities, the cash flows from interest payments are reduced and the value of these securities decline. Likewise, if homeowners pay on mortgages longer than anticipated, the cash flows are greater and the return on the initial investment would be higher than anticipated.
- A change in the interest rates on variable (floating) rate bonds likewise affects the amounts of interest received on those securities.

In accordance with GASB Statement No. 40, the Authority's investments are subject to interest rate and credit risk as described below:

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy limits at least 80 percent of the Authority's investment portfolio to maturities of less than five years and at least five percent of the Authority's operating investment portfolio to maturities of 120 days or less. Based on the current rate environment, the Authority assumes that all callable securities will be called on the first call date.

Credit Risk

The Authority's investment policy limits investments to the top three ratings issued by nationally recognized statistical rating organizations (NRSROs). As of December 31, 2016, the Authority's investments in Federal Farm Credit Bank (FFCB), Federal Home Loan Bank (FHLB), Federal National Mortgage Association (FNMA) and Federal Home Loan Mortgage Corporation (FHLMC) agency securities were rated AA+ and AAA by Moody's Investor Services and Standard & Poor's, respectively. The Authority also has a share of Corporate Bonds with ratings ranging from AA- to AA+ from S&P and AA1 to AAA from Moody's. The Authority's investment policy also allows for the Authority to invest in local government investment pools.

Concentration of Credit Risk

The Authority's investment policy places no limit on the amount the City, on behalf of the Authority, may invest in any one issuer. At the end of 2016, the Authority had 32.2% of its investments in FFCB, 12% in FHLB, 6.7% in FHLMC, and 36.1% in FNMA.

Custodial Credit Risk for Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority's investment policy restricts the holding of securities by counterparties.

Fair Value Measurements

The City categorizes its assets and liabilities measured at fair value within the hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest to Level 3 inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Information regarding the City's fair value, credit risk rating, maturity, and fair value measurement are described below.

Investment prices for the City's securities are reported by US Bank, the City's custodial bank. US Bank acquires its pricing data from Interactive Data, a third party provider, which provides global security evaluations and fair value pricing for fixed income securities. Their evaluations represent a good faith opinion as to what a buyer in the marketplace would pay for a security in a current sale.

Interactive Data's evaluations are based on market data and evaluated pricing models that vary by asset class and incorporate trade, bid and other market information as well as evaluated pricing applications utilizing benchmark curves, benchmarking of like securities, sector groupings, and matrix pricing to prepare evaluations. In addition, model processes such as the Option Adjusted Spread model are used to assess interest rate impacts and develop prepayment scenarios. For each asset class, teams of evaluators gather information from market sources and integrate relevant credit information, perceived market movements, and sector news into the evaluated pricing applications and models.

The City, on behalf of the Authority, invests primarily in fixed income investments. The investments are valued at fair value at least monthly.

For the City and GERP, the following fair value techniques were utilized in measuring the fair value of its investments.

U.S. Government Agency and Investment Grade Corporate securities: U.S. Government Agency securities are reported at fair value based on a multi-dimensional relational model and Option Adjusted Spread model. The model inputs include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and other reference data including TRACE reported trades. TRACE is a program developed by the National Association of Securities Dealers (NASD) which allows for the reporting of over-the counter transactions for eligible fixed-income securities.

Mortgage-backed securities: Mortgage-backed securities are reported at fair value based on Electronic Communication Networks and Broker feeds. Inputs include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and other reference data including vendor trading platform data.

As of December 31, 2016, the City, on behalf of the Authority, had the following investments and maturities:

B. Capital Assets

A summary of changes in capital asset activity for the year ended December 31, 2016 follows:

Investment Type	Credit Risk Rating S&P/Moody's	Fair Value Measurement Level	Fair Value	Investment Maturities		
				Up to	121 days	More than
				120 days	to 5 years	5 years
<i>Investments measured by fair value levels</i>						
Instrumentality						
Federal Farm Credit Bank (FFCB)	AA+/AAA	2	\$ 4,004,345	\$79,203	\$ 3,925,142	\$ -
Federal Home Loan Bank (FHLB)	AA+/AAA	2	1,494,581	-	1,494,581	-
Federal Home Loan Mortgage Corporation (FHLMC)	AA+/AAA	2	834,579	-	834,579	-
Federal National Mortgage Association (FNMA)	AA+/AAA	2	4,487,393	-	4,487,393	-
Corporate bonds	AA+/AA1	2	201,235	-	201,235	-
Corporate bonds	AA/AA1	2	111,075	-	111,075	-
Corporate bonds	AA+/AAA	2	271,688	-	271,688	-
Corporate bonds	AA-/AA3	2	760,301	-	760,301	-
Corporate bonds	AA/AA2	2	206,170	-	206,170	-
Corporate bonds	AA/AA2	2	57,428	-	57,428	-
Total PFA Share of City Investment Pool			\$ 12,428,795	\$79,203	\$12,349,592	\$ -
Percent of Total				1%	99%	0%

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
<u>Primary Government:</u>					
Governmental activities					
Capital assets, not being depreciated:					
Land	\$ 1,447,824	\$ -	\$ -	\$ -	\$ 1,447,824
Construction in progress	613,880	-	(613,880)	-	-
Total capital assets, not being depreciated	<u>2,061,704</u>	<u>-</u>	<u>(613,880)</u>	<u>-</u>	<u>1,447,824</u>
Capital assets, being depreciated:					
Buildings and improvements	20,441,953	4,493,665	613,880	-	25,549,498
Improvements other than buildings	2,137,799	-	-	-	2,137,799
Machinery and equipment	14,978,459	4,458,490	-	(330,226)	19,106,723
Total capital assets being depreciated	<u>37,558,211</u>	<u>8,952,155</u>	<u>613,880</u>	<u>(330,226)</u>	<u>46,794,020</u>
Less accumulated depreciation for:					
Buildings and improvements	(7,612,972)	(470,663)	-	-	(8,083,635)
Improvements other than buildings	(480,774)	(104,567)	-	-	(585,341)
Machinery and equipment	(9,529,138)	(979,735)	-	330,226	(10,178,647)
Total accumulated depreciation	<u>(17,622,884)</u>	<u>(1,554,965)</u>	<u>-</u>	<u>330,226</u>	<u>(18,847,623)</u>
Total capital assets being depreciated, net	<u>19,935,327</u>	<u>7,397,190</u>	<u>613,880</u>	<u>-</u>	<u>27,946,397</u>
Governmental activities capital assets, net	<u>\$ 21,997,031</u>	<u>\$ 7,397,190</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,394,221</u>

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

	<u>Governmental Activities</u>
Operations	\$ 1,136,052
Administration	385,242
Community Safety Services	<u>33,671</u>
	<u>\$ 1,554,965</u>

C. Long-Term Obligations

Capital Leases: The Authority enters into lease agreements as a lessee for financing the acquisition of land, various machinery and equipment. The capital assets acquired from the lease agreements are included with capital assets and the amortization of leased equipment is included with depreciation in the financial statements. These lease agreements qualify as capital leases for accounting purposes and therefore, have been reflected at the present value of their future minimum lease payments as of the inception date. The Authority had \$2,043,237 of capital leases outstanding as of December 31, 2016.

The following table displays the debt service requirements to maturity for the capital leases described:

Year Ending December 31	Capital Lease Payments (amounts expressed in thousands)		
	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 151	\$ 84	\$ 235
2018	157	77	234
2019	163	71	234
2020	170	64	234
2021	177	57	234
2022-2026	1,000	172	1,172
2027	225	9	234
	<u>\$ 2,043</u>	<u>\$ 534</u>	<u>\$ 2,577</u>

Net book value of assets held at year end that have been acquired under capital leases:

Governmental Activities	<u>Ending Balance</u>
Buildings and improvements	\$ 3,322,319
Improvements other than buildings	91,318
Machinery and equipment	<u>53,425</u>
	<u>\$ 3,467,062</u>

Long-term liability activity for the year ended December 31, 2016 is a follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Capital leases	\$2,188,119	\$ -	\$ (144,882)	\$2,043,237	\$ 150,806

The General Fund is used to liquidate the liabilities for compensated absences and post-employment healthcare obligation.

D. Fund Balances

The Authority's general fund has a restricted fund balance of \$562,309 for Keep Fort Collins Great taxes received and not spent and \$647,259 for the Norther Colorado Regional Communication Network agreement. The Authority's general fund has \$936,277 reported as committed fund balance for government operations. The Authority reports the following assigned fund balance: \$27,218 for workers' compensation and \$59,767 for encumbrances. The Authority's capital projects fund reports \$5,440,470 of fund balance, all of which is assigned for capital projects. Total assigned fund balance is \$5,527,455. The Authority's general fund also has \$5,439,273 of unassigned fund balance.

NOTE IV. OTHER INFORMATION

A. Risk Management

Property, Liability, and Workers Compensation

The Authority obtains coverage through Colorado Special Districts Property and Liability Pool for its comprehensive automobile liability, general liability, and public official liability exposures as well as damage or destruction of property, equipment breakdown, and crime.

The Authority purchases property coverage with a \$5,000 deductible and inland marine coverage with a \$1,000 deductible. Coverage is all-risk, subject to exclusions. Earthquake and flood coverage is provided with a \$2,000,000 per occurrence limit and a deductible of 2% of the total insurable value at each location, subject to a minimum of \$5,000 per occurrence and a maximum of \$50,000 per occurrence. Crime coverage and equipment breakdown coverage have a \$2,500 and \$1,000 deductible respectively. Vehicle comprehensive and collision coverage has a \$5,000 deductible.

In 2016, the Authority renewed the liability coverage through Colorado Special Districts Property and Liability Pool. This policy has a \$50,000 per occurrence deductible for certain types of liability claims. Coverage limits are as follows:

- General, Vehicle, & Wrongful Acts Liability - \$2 million primary, \$8 million excess policy
- Public Official Liability - \$2 million primary, \$8 million excess policy

Workers' Compensation losses are insured through a standard workers' compensation policy which has a \$5,000 deductible per claim.

There have not been any significant claims which have exceeded insurance coverage during each of the past three years for the Authority.

Employee Health and Illness

The employees of the Authority receive comprehensive major medical benefits under a Preferred Provider Options health plan offered by the City of Fort Collins. Any related actuarial claims for the health plans are retained by the City of Fort Collins. Stop-loss coverage of \$225,000 per occurrence is retained as excess risk coverage. During the past three years, there have been three claims incurred by the Authority which has exceeded the stop-loss limit.

B. Related Party Transactions

Due to the nature of the relationships, the Authority has related party transactions with the entities which created it. The following transactions occurred during 2016:

City of Fort Collins – As described in Note 1, the City of Fort Collins provides funding for the Authority. During 2016, such funding amounted to \$24,116,708. The City also provided accounting and administrative services to the Authority at no charge.

Poudre Valley Fire Protection District – During 2016, the District contributed funds amounting to \$5,260,448.

C. Pension Plan

Money Purchase Plan

The Authority offers its firefighters defined contribution money purchase plans created in accordance with Internal Revenue Code Section 401(a). In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the date of employment. The plan requires the employer to contribute 8% and employees to contribute 10% of base pay each pay period. Contributions by the Authority are not taxable to the employee until they are withdrawn. Employee contributions are made with pre-tax dollars, and the earnings on the Authority and employee contributions are not taxed until withdrawn. Employees are fully vested upon termination from the plan. Employee and Authority contributions to the plan were \$1,510,303 and \$1,208,242, respectively during 2016. The Authority has little administrative involvement and does not perform the investing function for the money purchase plans. Therefore, the assets are not included as part of the financial statements of the Authority.

Statewide Death and Disability Plan

Plan Description

The Authority contributes to the Fire & Police Pension Association Statewide Death and Disability Plan (the Plan), a multi-employer cost sharing defined benefit plan covering full-time employees of substantially all fire and police departments in Colorado. Contributions to the Plan are used solely for the payment of death and disability benefits. The Plan was established in 1980 pursuant to Colorado Revised Statutes. All uniformed employees are eligible to be members of the Fire & Police Pension Association.

Funding Policy and Authority Contributions

Members hired on or after January 1, 1997 are eligible to participate and do not contribute to the Plan. The contribution rate is 2.6% effective through December 31,

2016. The rate will be 2.7% effective January 1, 2017 through December 31, 2018. It should be noted this percentage can vary depending on actuarial experience. Contributions made by the Authority for the fiscal year 2016, 2015, and 2014 were \$270,402, \$241,507, and \$220,795, respectively.

Benefits

Benefits are established by Colorado statute.

If a member dies prior to retirement, the surviving spouse is entitled to a benefit equal to 40% of the member's monthly base salary with an additional 10% of base salary if a surviving spouse has two or more dependent children, or if there are three or more dependent children without a surviving spouse. Benefit entitlement continues until death of the spouse and death, marriage, or other termination of dependency of children.

A member who becomes disabled prior to retirement shall be eligible for disability benefits. Effective October 1, 2002, the benefit is 70% of base salary for total disability, 50% of base salary for a permanent occupational disability and 40% of base pay for a temporary occupation disability.

Benefits paid to members are evaluated and may be re-determined on October 1 of each year. Any increase in the level of benefits cannot increase by more than 3% for any one year. Totally disabled members and their beneficiaries receive an automatic cost of living adjustment each year of 3%.

In August of 2006, occupationally disabled members and survivors of active duty members were also granted a 3% cost of living adjustment.

Separately issued financial statements and the related actuarial valuation may be obtained from the Fire and Police Pension Association, 5290 DTC Parkway, Suite 100, Greenwood Village, CO 80111.

Retirement Health Savings Plan (RHS)

In 2006 and 2007, the Authority offered to classified and unclassified management employees the employer-sponsored health benefits saving vehicle which allowed the employees to accumulate assets to pay for medical expenses in retirement on a tax-free basis. As of December 31, 2007, the plan was frozen. There can no longer be any money withheld for this plan. The frozen Authority plan is administered by ICMA-RC.

The RHS plan offers triple tax advantage to employees. Employee contributions are made through pre-tax payroll deductions, are invested in ICMA-RC funds and grow tax-free, and monies can be withdrawn tax-free for qualifying expenses. No federal, state or FICA tax will be withheld. Employees cannot change their elections after their initial enrollment. Once participants become eligible to get reimbursed from their own RHS account, they can turn in receipts to a third party administrator and be reimbursed with tax-free monies. If the employee passes away, the employee’s spouse and dependents are automatically eligible to use the account and are reimbursed on a tax-free basis.

D. Other Post-Employment Benefits

Plan Description

The Authority sponsors a single-employer health care plan which provides medical, vision, dental and prescription drug benefits to all active and retired employees and their eligible dependents. Employees retiring on or after January 1, 2010 are no longer eligible to participate in the Retiree Health Plan. In addition, those employees retiring on or after September 1, 2009 but before January 1, 2010 and elect retiree health coverage may participate in the Retiree Health Plan until age 65. To be eligible an employee must have had at least 10 or more years of service. The Authority administrative policy authorized this benefit January 1, 2010. The plan does not issue a stand-alone financial report.

Funding Policy

Employees pay the full premium. The current funding policy of the Authority is to pay health claims as they occur through internal allocated funds.

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2016, the Authority contributed \$8,324. Retiree and active members receiving benefits contribute monthly premiums as outlined below:

	Premier Non- Medicare	Premier Medicare	Dental	Vision
Employee:	\$ 1,079	\$ 431	\$ 38	\$ 7
Employee +1:	2,155	862	68	14

Annual OPEB Cost and Net OPEB Obligation

The Authority’s annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially

determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding which, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the components of the Authority's annual OPEB cost for the year, the amount actuarially contributed to the plan and changes in the Authority's annual OPEB obligation:

Annual required contribution	\$ 13,895
Interest on net OPEB obligation	7,702
Adjustment to ARC	<u>(18,460)</u>
Annual OPEB cost	3,137
Contributions and payments made	<u>(8,324)</u>
Decrease in net OPEB obligation	(5,187)
Net OPEB Obligation - January 1, 2016	<u>220,053</u>
Net OPEB Obligation - December 31, 2016	<u>\$ 214,866</u>

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligations for 2016 and the two preceding years follows.

	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2014	\$ 25,930	35.5%	\$ 194,953
December 31, 2015	32,890	23.7%	220,053
December 31, 2016	3,137	265.3%	214,866

Funded status and funding progress:

Post-employment benefit obligations under GASB Statement No. 45 calculated as of December 31, 2014, the most recent valuation date are as follows:

	<u>Total</u>	<u>Members</u>
Actuarial Accrued Liability		
Current retirees, beneficiaries and dependents	\$ 165,631	3
Current active members	-	-
Total Actuarial Accrued Liability (AAL)	<u>\$ 165,631</u>	
OPEB Plan Assets	-	
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 165,631</u>	

Because active employees are no longer eligible for the plan, the covered payroll was \$0.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial methods and assumptions: Projections and benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and included in the types of benefits provided at the time of each valuation and the historical pattern of sharing the benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2014 actuarial date, projected unit credit method was used. The amortization method is 15 years as a level dollar amount and the remaining amortization period is 15 years. The actuarial assumptions included a 3.5% investment rate of return (net of administrative expenses) and an annual health care cost trend rate of 5.6% per year, increasing to 6.5% for 2031 before grading down to 4.5% over 40 years from 2031. The inflation rate assumption is 2.5%.

E. Legal Matters

Pending Litigation and Grants

There are no known claims or lawsuits pending against the Authority.

Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. Authority management believe disallowances, if any, resulting from any such audits would be immaterial. There currently are no disallowed or questioned costs.

Tax, Spending and Debt Limitations

Article X, Section 20, of the State Constitution, has several limitations, including those for revenue, expenditures, property tax, and issuance of debt. The Amendment is complex and subject to judicial interpretation. In the opinion of management, the Authority is not subject to the provisions of the Amendment since it does not have the power to levy taxes or issue debt and is thus not a “District” as defined in the Amendment.

REQUIRED SUPPLEMENTARY INFORMATION

Other Post-Employment Benefits Plan

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Net Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Over funded) AAL (UAAL)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
12/31/09	-	386,606	386,606	-	\$ -	n/a
12/31/11	-	305,839	305,839	-	\$ -	n/a
12/31/14	-	143,547	143,547	-	\$ -	n/a

The information presented in the required supplementary schedule was determined as part of the actuarial valuation date as of December 31, 2014. All assumptions, methods, data, and plan provisions used to calculate net OPEB obligation and annual OPEB cost as of December 31, 2016 remained the same as those used in the last valuation dated December 31, 2014. Additional information follows:

Actuarial cost method:	Projected Unit Credit Method
Amortization method:	15 years, as a level dollar amount
Remaining amortization period:	15 years
Asset valuation method:	An expected actuarial value is determined equal to a 3.5% discount rate per year. The medical trend rate beginning in 2015 is 5.6% per year pre and post-Medicare eligible increasing to 6.5% for 2031 before grading to 4.5% over 40 years from 2031. Trends for dental and vision benefits begin at 5.0% for 2015, grading to 4.5% over 6 years starting in 2066. The inflation rate assumption is 2.5%.
Discount rate:	3.5%, net of administrative expenses.
Projected pay increases:	0%. The plan was closed to new retirees effective December 31, 2009.

SUPPLEMENTARY INFORMATION



Major Emphasis Training

CAPITAL PROJECTS FUND
INDIVIDUAL FUND BUDGET SCHEDULE

Capital Projects Fund - - to account for financial resources to be used for the acquisition or construction of major capital facilities. Revenues and other financing sources are primarily derived from contributions from the City and the District or transfers from the General fund.

**POUDRE FIRE AUTHORITY CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Actual</u>	<u>Prior Years Actual</u>	<u>Cumulative Actual</u>	<u>Cumulative Budget</u>	<u>Variance</u>
REVENUES					
Intergovernmental	\$ 5,533,005	\$ 14,202,752	\$ 19,735,757	\$ 20,937,004	\$ (1,201,247)
Earnings on investments	44,447	1,106,951	1,151,398	912,726	238,672
Miscellaneous revenue	32,038	983,336	1,015,374	698,261	317,113
Total Revenues	<u>5,609,490</u>	<u>16,293,039</u>	<u>21,902,529</u>	<u>22,547,991</u>	<u>(645,462)</u>
EXPENDITURES					
Apparatus equipment replacement	2,589,255	10,633,410	13,222,665	13,433,124	210,459
Burn building	5,432	314,252	319,684	331,021	11,337
Station 15	92	47,873	47,965	129,487	81,522
Training multi-purpose building	13	6,084	6,097	68,866	62,769
Station 8	4,220,209	631,167	4,851,376	5,773,795	922,419
Facilities maintenance	63,964	486,468	550,432	799,772	249,340
Station 4 L/P payment	30	395	425	-	(425)
SCBA replacement	1,481,300	66,104	1,547,404	2,248,290	700,886
Console replacement	-	168,684	168,684	366,424	197,740
Computer/technology replacement	106,167	207,128	313,295	316,000	2,705
Radio replacement	20,501	20,339	40,840	433,576	392,736
Hose replacement	15,384	35,927	51,311	64,000	12,689
Thermal imager replacement	11,121	57,352	68,473	96,000	27,527
Staff vehicle replacement	88,873	250,933	339,806	355,369	15,563
Total Expenditures	<u>8,602,341</u>	<u>12,926,116</u>	<u>21,528,457</u>	<u>24,415,724</u>	<u>2,887,267</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,992,851)</u>	<u>3,366,923</u>	<u>374,072</u>	<u>(1,867,733)</u>	<u>2,241,805</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	36,529	97,943	134,472	30,144	104,328
Transfers In:					
Transfers from PFA Operating Fund	858,781	4,318,883	5,177,664	3,776,664	1,401,000
Transfers Out:					
Transfers to PFA Operating Fund	(273,456)	(107,740)	(381,196)	(107,740)	(273,456)
Transfers to PFA Capital Fund (internal)	-	-	-	(50,000)	50,000
Total Other Financing Sources (Uses)	<u>621,854</u>	<u>4,309,086</u>	<u>4,930,940</u>	<u>3,649,068</u>	<u>1,281,872</u>
Net Change in Fund Balances	\$ <u>(2,370,997)</u>	\$ <u>7,676,009</u>	\$ <u>5,305,012</u>	\$ <u>1,781,335</u>	\$ <u>3,523,677</u>
Fund Balances--January 1	<u>\$ 7,811,467</u>				
Fund Balances--December 31	<u>\$ 5,440,470</u>				

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Statistical Section

This section of the Poudre Fire Authority comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Authority's overall financial health.



Community Safety and Service Division

Financial Trends – These schedules contain trend information to help the reader understand how the Authority’s financial performance and well-being have changed over time.

Net Position by Component	60
Changes in Net Position	61
Fund Balances, Governmental Funds	62
Changes in Fund Balances	63

Revenue Capacity – This schedule contains information to help the reader assess the Authority’s most significant local revenue source – Intergovernmental Revenue.

Revenues by Source, Governmental Funds	64
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Debt Capacity – This schedule presents information to help the reader assess the affordability of the Authority’s current levels of outstanding debt and its ability to issue additional debt in the future.

Ratio of Outstanding Debt by Type	65
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Demographic and Economic Information – These schedules offer demographics and economic indicators to help the reader understand the environment within which the Authority’s financial activities take place.

Demographic and Economic Statistics	66
Principal Employers – City of Fort Collins	67
Full-time Equivalent Authority Employees by Function/Program	68

Operating Information – These schedules contain service and infrastructure data to help the reader understand how the information in the Authority financial report relates to the services the Authority provides and the activities it performs.

Operating Indicators by Function/Program	69
Capital Asset Statistics by Function/Program	70

Net Position by Component *(in thousands)*
 Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit A

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Net investment in capital assets	\$16,348	\$15,352	\$18,982	\$19,661	\$20,783	\$20,892	\$19,664	\$19,397	\$19,809	\$ 27,351
Restricted	-	-	-	-	816	292	394	628	757	1,210
Unrestricted	6,852	10,606	7,088	7,109	6,812	7,751	9,101	10,425	12,178	10,223
Total governmental activities net position	\$23,200	\$25,958	\$26,070	\$26,770	\$28,411	\$28,935	\$29,159	\$30,450	\$32,744	\$ 38,784

Changes in Net Position (*in thousands*)
 Last Ten Fiscal Years
 (accrual basis of accounting)

Exhibit B

Expenses	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Administration	\$ 4,997	\$ 2,062	\$ 2,185	\$ 3,270	\$ 2,409	\$ 2,456	\$ 2,639	\$ 2,358	\$ 2,572	\$ 2,630
Operations	17,969	19,006	18,940	17,740	20,124	21,293	21,921	22,022	22,760	21,609
Support	-	-	-	-	-	-	-	-	-	2,393
Fire Prevention/Community Safety Service	1,078	1,156	1,203	1,202	1,211	1,166	1,715	1,814	1,990	2,353
Total governmental activities expenses	24,044	22,224	22,328	22,212	23,744	24,915	26,275	26,194	27,322	28,986
Program Revenues										
Governmental activities										
Charges for services	623	633	461	616	882	1,062	1,197	1,665	1,667	1,844
Operating grants & contributions	18,666	19,977	20,544	20,986	23,782	23,590	24,202	23,930	27,705	31,376
Capital grants and contributions	867	1,911	1,180	950	535	535	897	1,447	-	1,626
Total governmental activities program revenues	20,156	22,521	22,185	22,552	25,199	25,187	26,296	27,042	29,373	34,846
Net (expenses) revenue	(3,888)	297	(143)	340	1,455	272	21	848	2,050	5,860
Governmental activities	(3,888)	297	(143)	340	1,455	272	21	848	2,050	5,860
General revenues										
Investment earnings	501	572	136	129	151	113	13	151	153	64
Capital leases	3,160	-	-	-	-	-	-	-	-	-
Sale of equipment	59	-	-	-	-	-	-	-	-	37
Miscellaneous revenue	474	208	121	231	80	139	189	292	92	79
Total governmental activities	4,194	780	257	360	231	252	202	443	245	180
Change in net position										
Total governmental activities	\$ 306	\$ 1,077	\$ 114	\$ 700	\$ 1,686	\$ 524	\$ 223	\$ 1,291	\$ 2,295	\$ 6,040

Fund Balances, Governmental Funds *(in thousands)*
 Last Ten Fiscal Years
(modified accrual basis of accounting)

Exhibit C

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Nonspendable	\$ -	\$ -	\$ 93	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	816	292	394	627	757	1,210
Committed	72	231	-	-	-	-	-	-	-	936
Assigned	170	99	1,236	787	923	1,643	1,236	1,271	1,468	87
Unassigned	2,586	1,598	272	1,516	2,151	2,099	3,054	4,150	4,568	5,439
Total General Fund	\$ 2,828	\$ 1,928	\$ 1,601	\$ 2,303	\$ 3,890	\$ 4,034	\$ 4,684	\$ 6,048	\$ 6,793	\$ 7,672
All Other Governmental Funds										
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	8,253	10,041	6,969	6,448	5,413	5,649	6,389	6,654	7,811	5,440
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Other Governmental Funds	\$ 8,253	\$ 10,041	\$ 6,969	\$ 6,448	\$ 5,413	\$ 5,649	\$ 6,389	\$ 6,654	\$ 7,811	\$ 5,440

Changes in Fund Balances, Governmental Funds (in thousands)

Exhibit D

Last Ten Fiscal Years

(modified accrual basis of accounting)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Revenues										
Intergovernmental	\$ 19,533	\$ 21,888	\$ 21,724	\$ 21,936	\$ 24,020	\$ 23,856	\$ 24,938	\$ 25,377	\$ 27,476	\$ 32,839
Fees and charges for services	498	504	311	439	689	1,083	1,197	1,491	1,667	1,726
Earnings on investments	501	572	136	129	151	113	13	151	153	64
Licenses and permits	125	129	150	176	193	248	161	174	229	162
Miscellaneous revenue	534	208	121	91	80	133	124	292	92	198
Total Revenues	21,191	23,301	22,442	22,771	25,133	25,433	26,433	27,485	29,617	34,989
Expenditures										
Operations	16,503	17,273	17,189	17,193	18,421	19,913	20,110	20,548	21,355	18,814
Administration	1,695	1,769	1,793	1,952	1,954	2,143	2,346	1,984	2,132	2,109
Support	-	-	-	-	-	-	-	-	-	4,027
Community Safety Service	1,061	1,153	1,182	1,160	1,201	1,151	1,714	1,803	1,931	2,241
Grant projects	19	11	44	176	447	46	218	118	156	220
Capital outlay	2,088	1,975	5,397	2,107	2,324	1,571	489	1,180	1,906	8,871
Debt Services:										
Principal retirement	-	105	109	114	119	123	128	134	139	145
Interest	-	128	125	120	116	111	106	101	95	89
Total expenditures	21,366	22,414	25,839	22,822	24,582	25,058	25,111	25,868	27,714	36,518
Excess (deficiency) of revenues over (under) expenditures	(175)	887	(3,397)	(51)	551	375	1,322	1,617	1,903	(1,529)
Other financing sources (uses)										
Capital Leases	3,160	-	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	230	-	7	65	14	-	37
Transfers in	-	1,361	924	119	296	870	-	-	1,227	1,182
Transfers out	-	(1,361)	(924)	(119)	(296)	(870)	-	-	(1,227)	(1,182)
Total other financing sources (uses)	3,160	-	-	230	-	7	65	14	-	37
Net change in fund balances	\$ 2,985	\$ 887	\$ (3,397)	\$ 179	\$ 551	\$ 382	\$ 1,387	\$ 1,631	\$ 1,903	\$ (1,492)
Debt services as a percentage of noncapital expenditures	0.00%	1.10%	1.12%	1.12%	1.04%	0.98%	0.94%	0.94%	0.89%	0.84%

Revenues by Source, Governmental Funds (in thousands)
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Exhibit E

Fiscal Year	City of Fort Collins	PVFPD	FEMA - OEM	NCRCN Radio Maintenance	Grants	City FC - Capital Expansion Fee - Station 4 Lease/Purchase	Total Intergovernmental Revenues
2008	17,409	4,110	28	101	7	233	21,888
2009	17,274	4,031	25	102	57	234	21,723
2010	17,228	4,119	14	147	180	234	21,922
2011	18,812	4,466	18	114	376	234	24,020
2012	19,101	4,335	29	124	32	234	23,855
2013	19,885	4,335	14	134	336	234	24,938
2014	20,574	4,404	15	149	1	234	25,377
2015	22,090	4,922	14	149	67	234	27,476
2016	23,882	8,438	14	229	42	234	32,839

Note: Poudre Fire Authority, a consolidated fire department composed of the City of Fort Collins and the Poudre Valley Fire Protection District (PVFPD), receives the majority of its revenue from these two sources. The City of Fort Collins contributes 80.4% of the Authority general fund revenue from its property tax, sales and use tax revenue, and Keep Fort Collins Great sales tax initiative. The PVFPD contributes 17.9% of the Authority general fund revenue from its property tax and specific ownership tax. The Authority does not have legal status to issue bonds.

Ratio of Outstanding Debt by Type

Last Ten Fiscal Years

in thousands

Fiscal Year	Capital Leases	Personal Income	Percentage of Personal Income	Per Capita (\$)
2007	\$ 3,160	\$ 11,123,111	0.0284%	0.017
2008	3,055	11,403,488	0.0268%	0.018
2009	2,945	11,194,814	0.0263%	0.017
2010	2,831	11,428,613	0.0248%	0.016
2011	2,713	12,201,220	0.0222%	0.015
2012	2,589	12,826,581	0.0202%	0.014
2013	2,461	13,545,018	0.0182%	0.013
2014	2,327	14,126,667	0.0165%	0.012
2015	2,188	15,116,879	0.0145%	0.011
2016	2,043	N/A	N/A	0.010

Notes:

- Personal Income provided by the Bureau of Economic Analysis.

- 2016 Personal Income was not available at the time this schedule was prepared.

- In 2008 the Authority procured a lease purchase under the debt authority of the PVFPD to build a replacement fire station, and this lease purchase is being repaid using the City of Fort Collins' Capital Expansion fee for Fire. For accounting purposes, the lease is a capital lease.

- The Authority is an independent government entity formed by the City of Fort Collins and the Poudre Valley Fire Protection District, and by itself does not have legal status to issue bonds. The Authority does not have a debt limit; it can incur debts, liabilities, or obligations, provided that no debt, liability, or obligation shall constitute a debt, liability, or obligation of either the City or the District. Aside from the lease purchase mentioned above, the Authority's policy has been to replace or acquire equipment, apparatus or real property on a cash basis.

Demographic and Economic Statistics
Last Ten Fiscal Years

Exhibit G

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate	Denver/Boulder Greeley CPI-U	Fort Collins Residential Building Permits
2007	164,543	11,123,111	67,600	3.4%	202.03	506
2008	166,343	11,403,488	68,554	5.0%	209.90	385
2009	172,451	11,194,814	64,916	6.6%	208.55	227
2010	178,852	11,428,613	63,900	7.4%	212.45	266
2011	182,975	12,201,220	66,682	6.8%	220.29	431
2012	184,669	12,826,581	69,457	6.4%	224.57	508
2013	187,788	13,545,018	72,129	5.4%	232.44	670
2014	192,405	14,126,667	73,422	4.2%	238.66	802
2015	195,694	15,116,879	77,248	3.5%	240.00	558
2016	198,955	N/A	N/A	2.2%	248.10	589

Note: Information for personal income and unemployment rate is based on the Fort Collins/Loveland regional area.

Source: Personal income and per capita personal income provided by the Bureau of Economic Analysis. Information is updated regularly and is subject to change. Data for 2016 was not available at the time this schedule was prepared. Unemployment rate provided by the Colorado Department of Labor and Employment. Population is a compilation from the City of Fort Collins Planning Department population figure and estimate from Poudre Valley Fire Protection District population. CPI is provided by the US Bureau of Labor Statistics - Denver, Boulder, Greeley area is the nearest region.

Principal Employers - City of Fort Collins
2016 and Ten Years Ago

Exhibit H

<u>Employer</u>				Fiscal Year 2007		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Colorado State University	7,525	1	9.2%	6,948	1	8.5%
Poudre R-1 School District	4,297	2	5.3%	3,014	4	3.7%
UC Health: Poudre Valley Hospital	3,801	3	4.7%	3,020	3	3.7%
City of Fort Collins	2,006	4	2.5%	1,864	6	2.9%
Larimer County	1,838	5	2.3%	1,467	7	1.8%
Woodward	1,232	6	1.5%	-	-	-
Broadcom (Avago)	1,084	7	1.3%	-	-	-
Department of Agriculture	1,078	8	1.3%	-	-	-
Otter Products, LLC	864	9	1.1%	-	-	-
Employment Solutions Personnel	850	10	1.0%	-	-	-
Hewlett Packard	-	-	-	3,182	2	3.9%
Agilent Technologies	-	-	-	2,800	5	3.4%
Anheuser Busch	-	-	-	760	10	9.3%
Advanced Energy Industries	-	-	-	825	9	1.0%
Walmart Super Center	-	-	-	909	8	1.1%
Total	24,575		26.9%	24,789		30.4%

2016 Source: BizWest Book of Lists, Infogroup CDLE, Labor Market Information, Local Area Unemployment Statistics

2007 Source: 2007 City of Fort Collins CAFR

Full-time Poudre Fire Authority Employees by Function/Program
Last Ten Fiscal Years

Exhibit I

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Administration										
Admin Secretary I	-	-	-	-	-	1	1	1	1	-
Admin Secretary II	1	1	1	1	1	1	1	1	1	1
Accounts Payable Rep	-	-	-	-	-	-	-	-	-	1
Admin Assistant	1	1	1	1	1	1	1	1	1	1
Admin Asst & Board Coord	-	-	-	-	-	-	1	1	1	1
Budget Coordinator	1	1	1	1	1	-	-	-	-	-
Senior Budget & Board Coordinator	-	-	-	-	-	1	1	1	1	-
Captain II	1	1	1	1	1	1	2	2	1	-
HR & Policy Admin	1	1	1	1	1	1	1	1	1	1
Finance & Budget Supervisor	-	-	-	-	-	-	-	-	-	1
IT Analyst	1	1	1	1	1	1	1	1	-	-
Battalion Chief (staff)	-	-	-	-	-	-	-	-	-	1
Admin Service Director	1	1	1	1	1	1	1	1	1	1
Division Chief A	-	-	-	-	-	-	1	1	1	1
Fire Chief	1	1	1	1	1	1	1	1	1	1
Community Safety & Service										
Admin Secretary I	-	-	-	-	-	-	-	-	-	2
Admin Secretary II	1	1	1	1	1	1	1	1	1	1
Admin Assistant	1	1	1	1	1	1	1	1	1	1
Fire Prevention Tech - NR*	1	-	-	-	-	-	-	-	-	-
Asst Fire Marshal-NR*	1	2	2	2	2	2	2	2	2	2
Public Education Coord.	-	-	-	-	-	-	-	-	-	1
40 Hour Firefighter	2	2	2	2	2	2	2	2	2	2
Captain II	2	2	2	2	2	3	3	3	3	2
Public Affairs/Communications Mgr	-	-	-	-	-	-	-	-	-	1
Emer Mgt Specialist	-	-	-	-	-	-	1	1	1	1
Battalion Chief/Emer Mngr	-	-	-	-	-	-	1	1	1	2
Division Chief A	1	1	1	1	1	1	1	1	1	1
Support										
Admin Secretary II	-	-	1	1	1	1	1	1	1	1
Fleet Maintenance Tech	-	-	-	-	-	-	-	-	2	2
IT Support Specialist	-	-	-	-	-	-	-	-	1	1
GIS Programmer Analyst	-	-	-	-	-	-	-	-	1	1
40 Hour Firefighter	-	-	-	-	-	-	-	-	1	1
IT Analyst	-	-	-	-	-	-	-	-	1	1
EMS Coordinator	-	-	-	-	-	-	-	1	1	1
Captain II	-	-	-	-	-	-	-	-	4	4
Battalion Chief I (staff)	-	-	-	-	-	-	-	-	2	2
Division Chief A	-	-	-	-	-	-	-	-	1	1
Operations										
Admin Secretary II	2	2	2	2	2	2	1	1	-	-
Fleet Maintenance Tech	1	1	1	1	1	2	2	2	-	-
EMS Coordinator	1	1	1	1	1	1	1	-	-	-
GIS Mapping Technician	-	1	1	1	1	1	1	1	-	-
Introductory Firefighter	9	3	1	2	7	12	7	10	12	15
Firefighter I, Tech I	-	-	-	-	-	-	-	-	-	18
Firefighter II, Tech II	81	87	86	85	87	87	91	89	90	73
Firefighter II, FIC	6	6	6	6	6	6	6	6	6	6
40 Hour Firefighter	1	1	1	1	1	1	1	1	-	-
Captain I	38	38	38	38	38	39	39	39	39	42
Captain II	5	5	5	5	5	3	3	3	1	1
Battalion Chief I (shift)	3	3	3	3	6	6	6	6	6	6
Battalion Chief I (staff)	3	3	3	3	3	3	2	2	-	-
Division Chief A	1	1	1	1	1	1	1	1	-	-
Total Fire Personnel	168	169	167	167	177	184	186	187	191	202

Note: Full-time positions are based on approved and budgeted positions. The data includes all approved full time positions, including exempt and non-exempt. The data does not include part-time or volunteer positions or vacancies.

Operating Indicators by Function/Program
Last Ten Fiscal Years

Exhibit J

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Fire Operations										
Fires/Explosions	418	438	392	390	400	449	379	339	373	348
Rescue / EMS	8,043	8,687	9,160	10,207	11,401	11,799	12,426	13,397	14,120	14,772
Hazardous Condition - no fire	318	289	263	307	400	341	347	371	468	506
Service Call	630	642	808	752	813	904	738	732	755	847
Good Intent Call	2,312	2,318	2,067	1,617	1,263	1,201	1,298	1,529	2,052	3,087
False Alarms / False Calls	1,033	1,019	1,105	1,059	1,218	1,192	1,256	1,241	1,293	1,409
Other Requests for Service	30	59	23	30	51	50	31	37	39	59
Total Calls	12,784	13,452	13,818	14,362	15,546	15,936	16,475	17,646	19,100	21,028
Support Services										
Square footage of buildings maintained	142,529	142,529	154,729	154,729	154,729	154,729	154,729	154,729	155,869	170,178
Community Safety & Services										
Fire Investigations	117	134	96	108	143	152	144	142	126	132
Building Plan Reviews	677	409	246	309	303	380	355	429	402	374
Business Inspections	686	1,635	2,637	2,364	1,887	4,469	3,880	4,586	5,156	5,180
Fire System Permits/Plan Reviews	284	392	270	304	296	260	220	467	459	506
Car seat checks	623	540	474	354	340	382	361	366	336	320
Public Education Contacts (all ages)	10,043	14,107	14,102	15,952	13,776	12,313	12,380	15,494	18,605	8,410
Training Operations										
Training Hours (Career Firefighters)	-	-	40,765	31,312	33,100	46,758	42,878	48,861	45,682	51,708
Company Training Hours (Career)	6,509	6,445								

Source:

Poudre Fire Authority Annual Reports

Clarification:

Currently, the Authority employs seven inspectors that complete both the general and fire suppression inspections of all commercial buildings within the Authority's jurisdiction.

Training Hours - during years 2007 - 2008 hours were reported based on company training hours; years 2009 - 2015 are based on total training hours for career firefighters.

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Exhibit K

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Administration										
Headquarters Building	1	1	1	1	1	1	1	1	1	1
Phone System	-	-	1	1	1	1	1	1	1	1
Staff Vehicles	1	2	2	2	2	2	3	2	2	2
Fire Operations										
Air Truck	1	1	1	1	1	1	1	1	1	1
Battalion Chief Response Vehicle	2	2	2	2	3	3	3	3	3	3
Collapse Truck (Tech Rescue Equipment)	-	-	-	-	-	-	1	1	1	1
Command Post	1	1	1	1	1	1	1	1	1	1
Customer Asst Response Team Vehicle	-	-	-	1	1	1	1	1	1	1
Dispatch Consoles	2	2	2	2	2	4	4	4	4	4
Engines	17	17	17	18	16	16	15	15	15	15
Fire Stations	13	13	13	13	13	13	13	13	13	14
Hazardous Materials Squad	1	1	1	1	1	1	1	1	1	1
Mechanic Truck	1	1	1	1	1	1	1	1	1	1
Rehab Bus (EMS Rehab for responders)	1	1	1	1	1	1	1	1	1	1
Staff Vehicles	11	11	11	11	14	14	12	14	14	19
Tender (water)	3	3	3	3	3	3	3	4	4	4
Tower/Ladder trucks	4	4	4	5	4	4	4	4	4	4
Training Facility buildings	2	2	2	2	2	2	2	2	2	2
Warehouse Truck	1	1	1	1	1	1	1	1	1	1
Wildland Units	6	6	6	6	7	7	7	7	7	7
Community Safety & Services										
Staff Vehicles	7	7	7	7	7	7	9	10	10	14
Plotter	-	-	-	-	-	1	1	1	1	1

Source: Authority Budget Office

