

# Poudre Fire Authority, Colorado

## 2018 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, 2018

Poudre Fire Authority

Poudre Fire Authority, Colorado

# Poudre Fire Authority

Comprehensive Annual Financial Report

For the fiscal year ended

December 31, 2018

Cover Photograph:

Poudre Fire Authority crews participate in ice rescue training.

*Prepared by Poudre Fire Authority Staff:*

*Kirsten Howard, Finance and Budget Supervisor*

*Ann Turnquist, Administrative Services Director*

*With assistance from, and special thanks to, the City of Fort Collins Finance Department:*

*Kerri Ishmael, Accountant II*

*Twyla Lance, Accountant II*

*Travis Storin, Accounting Director*

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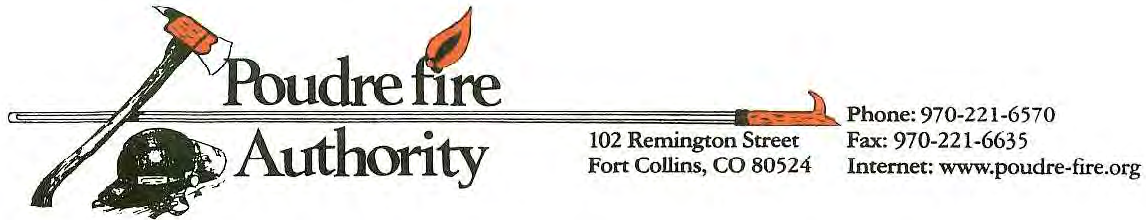
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## INTRODUCTORY SECTION



Training Exercise



## Letter of Transmittal

June 28, 2019

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, 2018. 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, BKD 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, 2018 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 Fort Collins City Council and PVFPD 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 and included a Long-Range Financial Plan in the 2018 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 PVFPD 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, urban search and rescue deployments, and hazardous materials responses provided outside of the jurisdiction.

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

2018 Economic Information: The local unemployment rate was 3.2% at the end of 2018 and compares well to the State rate of 3.6% and the national rate of 3.9%. 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 1.56%, and the population in the PVFPD grew approximately 2.0%. The community relies heavily on sales and use tax revenues. In 2018, sales taxes and use taxes were up 3.6% and down 4.4%, respectively, for a blended increase of 2.2%. Inflation was 2.3%, as measured by the Denver-Aurora-Lakewood Consumer Price Index for the second half of 2018 versus the second half of

2017. 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 decreased from 649 to 414 in 2018.

Overall government fund net position increased 8.1% in 2018. At year-end, the Authority held \$16,081,955 in unrestricted net position, which is an increase of 32.6% from 2017. Please see page 24 for more information about the Authority's total net position.

Data-Informed 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](http://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 (89.0% in 4<sup>th</sup> quarter 2018) and percent of time Authority fire personnel are on scene within 6 minutes 20 seconds in the urban area (77% in 4<sup>th</sup> quarter 2017; this measure is not available for year-end 2018 due to software termination). This tool can be accessed at [fcgov.com/metrics](http://fcgov.com/metrics). The Authority participates in the International City/County Managers Association (ICMA) Center for Performance Measurement Analytics 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 2019.

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 PVFPD and Fort Collins 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 February 2018) that will guide the Authority over the coming three to five years, involve internal and external stakeholders, and 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. 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/Standards of Cover Process.

Emergency Medical Services (EMS) Agreement: The Northern Larimer County Emergency Response Area EMS agreement with UCHHealth / 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: The IGA between the Authority, PVFPD and the Town of Timnath was approved by the Town of Timnath, Timnath Development Authority, PVFPD and the Authority in June 2015. The IGA provides tax increment funding from Timnath, through PVFPD, for the Authority's budget.

**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 2018 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 BKD LLP, the firm that serves as the Authority's external auditor.

Respectfully submitted,



Tom DeMint  
Fire Chief

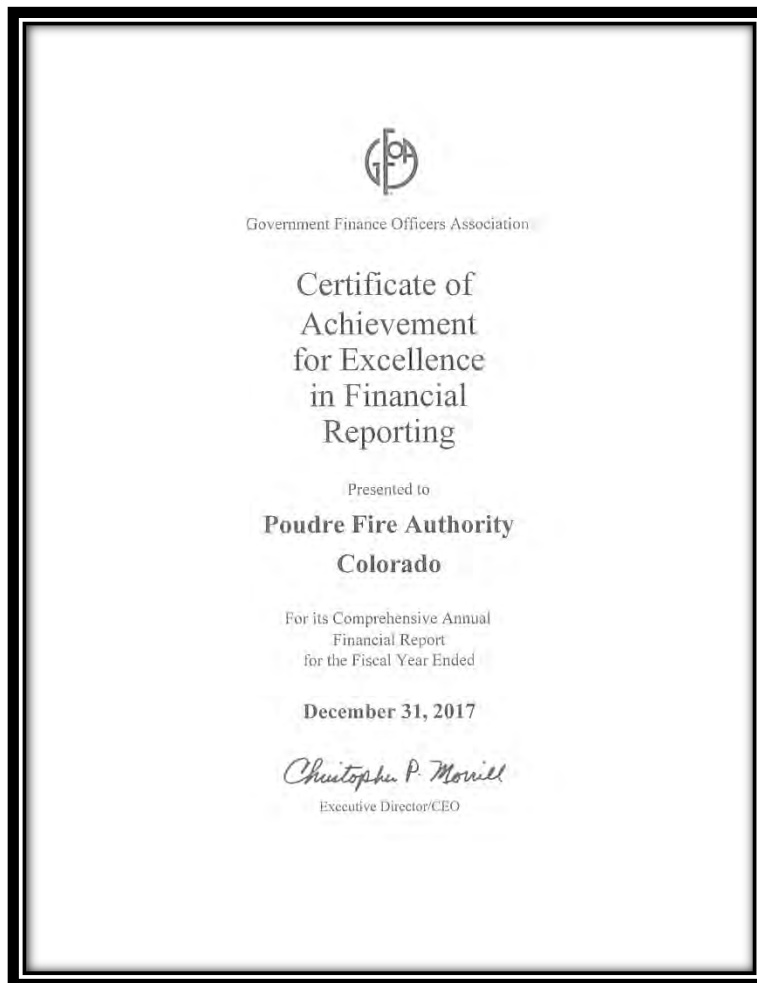


Ann Turnquist  
Administrative Services Director



Kirsten Howard  
Finance and Budget Supervisor

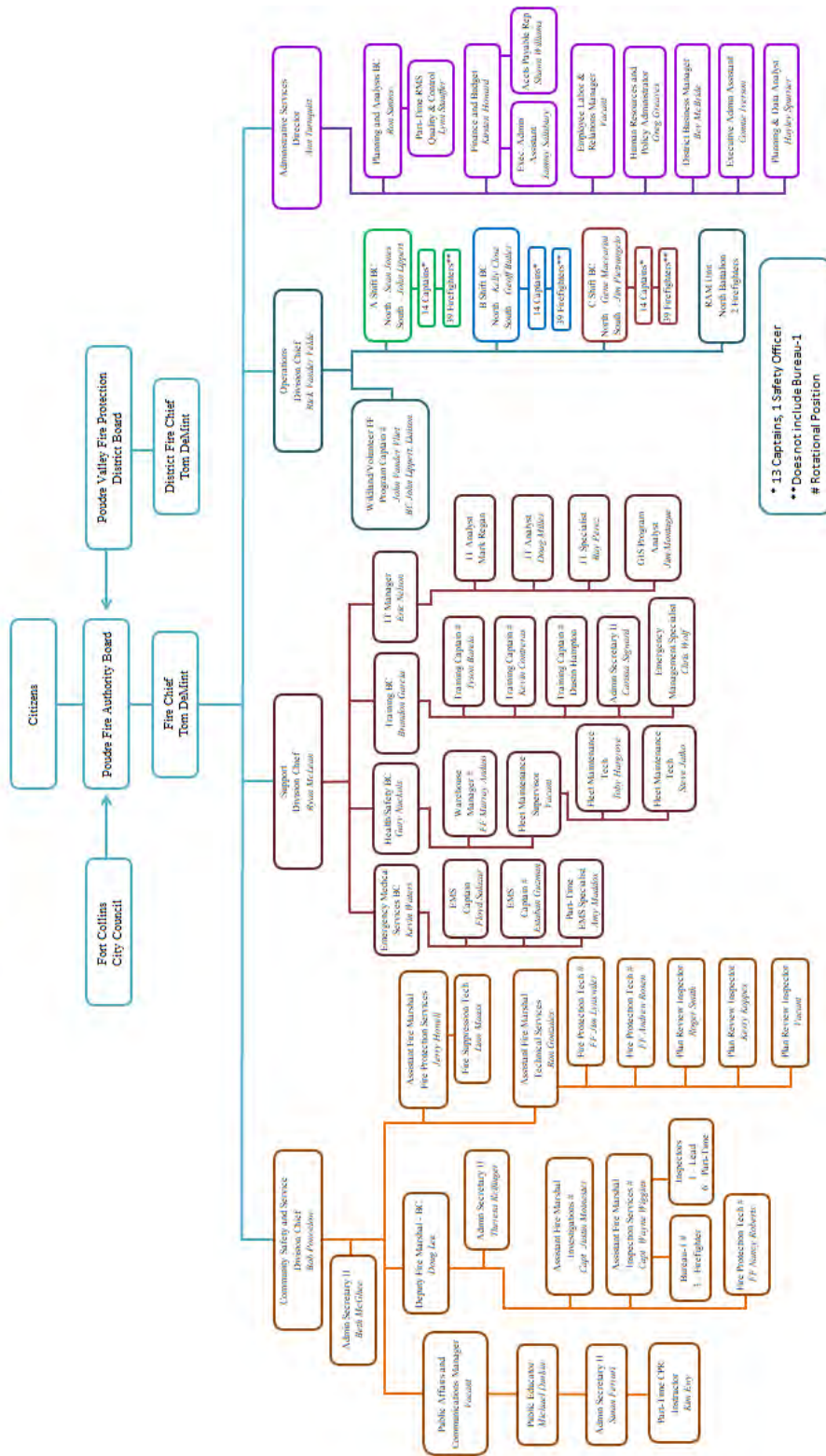
## Certificate of Achievement for Excellence in Financial Reporting



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, 2017. This was the fifth 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  
 \*\* Does not include Bureau-1  
 # Rotational Position

December 2018

Elected Officials and Poudre Fire Authority Senior Leadership  
As of December 31, 2018

**Poudre Valley Fire Protection District Board of Directors**

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

**Fort Collins City Council**

Wade Troxell, Mayor  
Bob Overbeck, Councilmember, District 1  
Ray Martinez, Councilmember, District 2  
Ken Summers, 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**

Dave Pusey, Chair  
Kristin Stephens, Vice Chair  
Gerry Horak, Board member  
Mike DiTullio, 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, Finance and Budget Supervisor  
Rick Vander Velde, Operations Division Chief  
Ryan McLean, Support Division Chief  
Ron Simms, Planning and Analysis Battalion Chief

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## FINANCIAL SECTION



Confined Space Training Exercise

## Independent Auditor's Report

Board of Directors  
Poudre Fire Authority

### 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, 2018 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

#### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Poudre Fire Authority as of December 31, 2018, 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.

Board of Directors  
Poudre Fire Authority

### **Other Matters**

#### *Required Supplementary Information*

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

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The capital projects fund schedule of revenues, expenditures, and changes in fund balances, actual and budget (non-GAAP budgetary basis), and the introductory and statistical sections as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The capital projects fund schedule of revenues, expenditures, and changes in fund balances, actual and budget (non-GAAP budgetary basis) 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 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.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we also have issued our report dated June 28, 2019, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

**BKD, LLP**

Denver, Colorado  
June 28, 2019

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)**

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, 2018. 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, 2018 by \$46,741,046 (net position). Of the net position balance, \$16,081,955 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 \$1,436,516 (17.5%) in fund balance.

The Capital Projects Fund reported an increase of \$2,268,924 (36.8%) in fund balance.

The City of Fort Collins (City) contributed less revenue in 2018 versus 2017, which was due to the (1) Lease Purchase Agreement associated with Fire Station 4 being paid in full as of December 31, 2017, decreasing 2018 contributions by \$1.6 million in comparison to 2017 and (2) Keep Fort Collins Great (KFCG) contribution for 2018 being 9% less than that provided in 2017.

The 2018 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.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS continued (unaudited)**

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, support, and community safety and service. 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.

## MANAGEMENT'S DISCUSSION AND ANALYSIS continued (unaudited)

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 26-30 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 33-51 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

	<u>2018</u>	<u>2017</u>
Current and other assets	\$ 19,719,812	\$ 15,878,540
Capital assets	<u>30,262,770</u>	<u>30,402,823</u>
Total assets	<u>49,982,582</u>	<u>46,281,363</u>
Current liabilities	3,206,262	3,018,693
Long-term liabilities	<u>35,274</u>	<u>27,522</u>
Total liabilities	<u>3,241,536</u>	<u>3,046,215</u>
Net position:		
Net investment in capital assets	30,262,770	30,402,823
Restricted	396,321	705,567
Unrestricted	<u>16,081,955</u>	<u>12,126,758</u>
Total net position	<u>\$ 46,741,046</u>	<u>\$ 43,235,148</u>

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

**MANAGEMENT’S DISCUSSION AND ANALYSIS continued (unaudited)**

The largest portion of the Authority’s net position (64.7%) 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. Although the balance remained relatively consistent to prior year, the decrease is attributed to non-depreciable capital assets being expensed.

The restricted balance in net position, \$396,321 is associated with Keep Fort Collins Great (KFCG) revenues received with amounts expended in 2018 for fire protection needs voted for by the citizens of Fort Collins. The decrease in balance from prior year is attributed to decreased KFCG revenues and balances associated with agreements being expensed in full.

The balance of unrestricted net position, \$16,081,955, may be used to meet the Authority’s ongoing obligations to its citizens and employees. The increase in balance from prior year is mainly attributed to increased revenues in fees and charges for services combined with decrease in capital expenditures.

The Authority’s total net position increased \$3,505,898 during the current fiscal year.

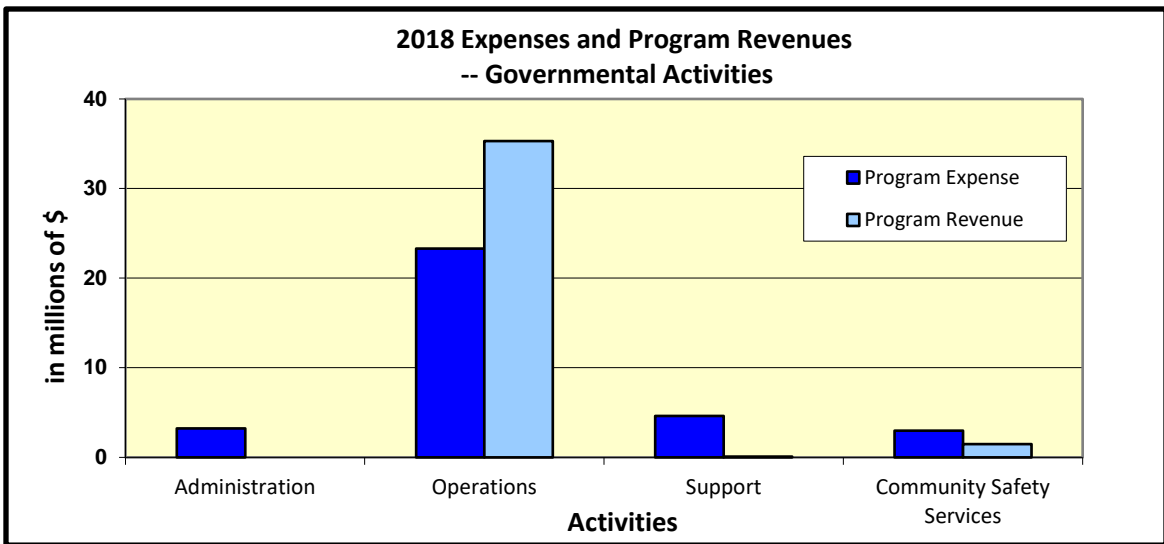
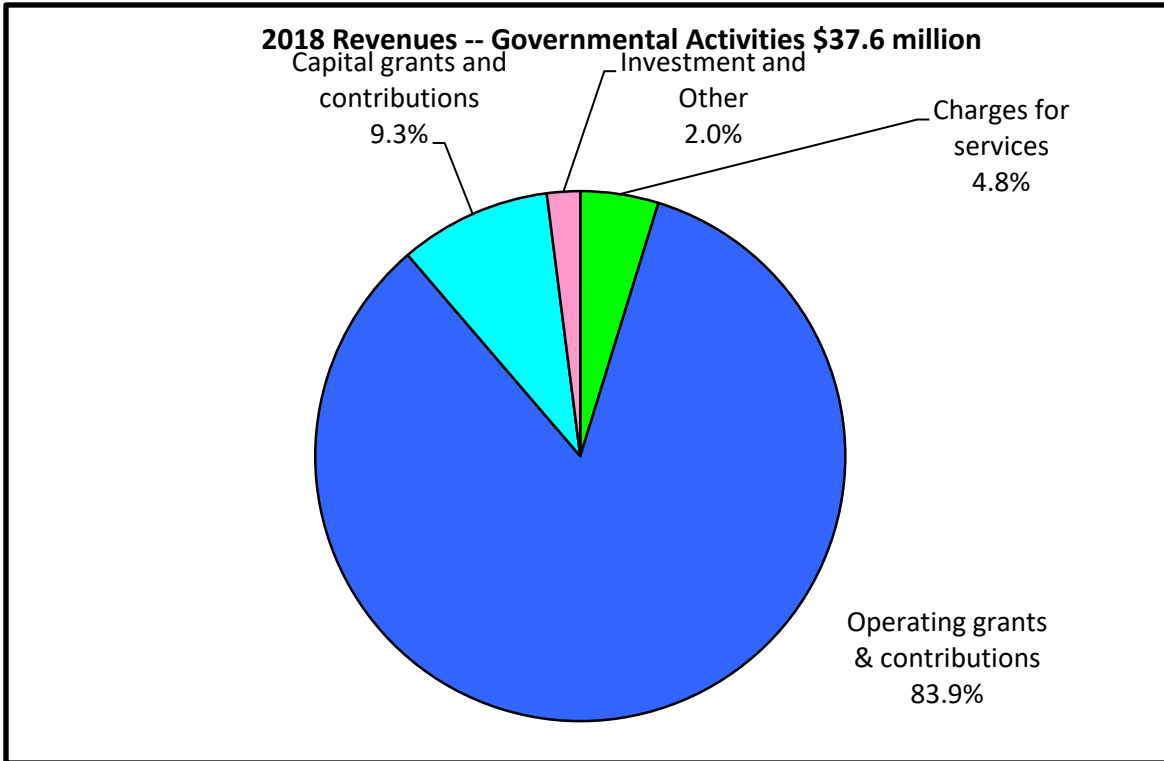
Changes in Net Position: The following table reflects a condensed summary of the activities and changes in net position. For more detailed information, see page 25 of this report.

**Statement of Activities & Changes in Net Position**  
December 31

	2018	2017
Revenues:		
Program revenues:		
Charges for services	\$ 1,792,763	\$ 1,632,327
Operating grants and contributions	31,581,448	30,224,973
Capital grants and contributions	3,484,143	5,116,880
General revenues:		
Investment earnings	283,935	169,681
Sale of equipment	13,000	-
Miscellaneous revenue	464,715	344,311
Total Revenues	<u>37,620,004</u>	<u>37,488,172</u>
Expenses:		
Administration	3,224,862	3,620,184
Operations	23,317,096	22,444,203
Support	4,607,899	4,671,586
Community Safety Services	2,964,249	2,487,484
Total expenses	<u>34,114,106</u>	<u>33,223,457</u>
Change in net position	<u>3,505,898</u>	<u>4,264,715</u>
Net position - beginning	43,235,148	38,970,433
Net position - ending	<u>\$ 46,741,046</u>	<u>\$ 43,235,148</u>

**MANAGEMENT’S DISCUSSION AND ANALYSIS continued (unaudited)**

The Authority is funded by the City of Fort Collins and the Poudre Valley Fire Protection District (PVFPD) 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.



## MANAGEMENT'S DISCUSSION AND ANALYSIS continued (unaudited)

### 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 \$18,092,738, an increase of \$3,705,440 (25.8%) as compared to the prior year. As discussed below, the increase is attributed to increased revenues in fees and charges for services in the general fund combined with decrease in expenditures in the capital projects fund. Of the ending fund balance, \$7,636,643 (42.2%) represents unassigned fund balance, which is available for spending at the government's discretion, \$396,321 (2.2%) is for voter approved initiatives, \$1,026,630 (5.7%) is committed for emergencies, \$344,702 (1.9%) is nonspendable prepaid assets, and \$8,688,442 (48.0%) is assigned to indicate that it is not available for new spending because it has already been set aside 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 \$7,636,643; restricted fund balance was \$396,321; committed fund balance was \$1,026,630; nonspendable fund balance was \$344,702, and assigned fund balance was \$251,362. The total fund balance was \$9,655,658.

The fund balance of the Authority's general fund increased \$1,436,516 from prior year. This is due to higher than anticipated revenues in fees and charges for services, earnings on investment, and miscellaneous revenue, while actual expenditures were less than budgeted expenditures.

The fund balance of the Authority's capital projects fund increased by \$2,268,924. This is due appropriated funds in capital projects such as Apparatus Replacement, Burn Building, and Computer/Tech Replacement not being expended within 2018.

### Budgetary Highlights

#### Governmental Funds

General Fund: The increase from the total original budgeted expenditures to the final budget amounted to \$902,660 and can be summarized as follows:

**MANAGEMENT’S DISCUSSION AND ANALYSIS continued (unaudited)**

Appropriations of \$919,964 were approved by the Authority Board from reserves, unanticipated revenue, and grant funds for: Bohemian grant for bilingual CPR/AED instructor, exercise equipment, Training Facility equipment, vehicle repair for hail damage, planning and analysis software, reimbursement to State of Colorado, Urban Search and Rescue deployment, and prior year encumbrances. There was a variance between the resolution appropriating funds for prior year encumbrances and the actual prior year encumbrances since one of the purchase orders included in the resolution was accrued back to 2017, in the amount of \$17,304.

General Fund. Actual expenditures were \$907,898 less than total final budgeted expenditures and can be summarized as follows:

Actual expenditures were less than budgeted by 2.7% 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 four Operations retirements in 2018), in the Community Safety and Service Division in personnel costs (four retirements and a vacant hourly position), and in Support, personnel costs (three retirements).

Capital Assets

The Authority's investment in capital assets as of December 31, 2018 (net of accumulated depreciation) were as follows:

Capital Assets Net of Accumulated Depreciation  
as of December 31

	<u>2018</u>	<u>2017</u>
Land	\$ 1,593,426	1,608,426
Construction in progress	23,387	266,865
Building & improvements	16,742,037	17,239,440
Improvements other than buildings	1,393,292	1,447,891
Machinery & equipment	<u>10,510,628</u>	<u>9,840,201</u>
Total Capital Assets	<u>\$ 30,262,770</u>	<u>30,402,823</u>

Additional information on the Authority’s capital assets can be found on page 42-43 of this report.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS continued (unaudited)**

### Long-Term Debt

The Authority has no long-term debt.

### Economic Factors

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 increased, 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 2018 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



Duncan's Ridge Rescue – April 22, 2018

**STATEMENT OF NET POSITION  
DECEMBER 31, 2018**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 2,094,324
Investments	17,013,284
Receivables:	
Interest	71,983
Accounts	179,269
Prepaid items	344,702
Due from other governments	16,250
Non-current assets:	
Capital assets (non-depreciable)	1,616,813
Capital assets (net of accumulated depreciation)	<u>28,645,957</u>
Total Assets	<u>49,982,582</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	436,593
Wages payable	1,177,779
Unearned revenue	3,360
Deposits held	9,342
Due within one year, compensated absences	1,579,188
Non-current liabilities:	
Due in more than one year, postemployment healthcare obligation	<u>35,274</u>
Total Liabilities	<u>3,241,536</u>
<b>NET POSITION</b>	
Investment in capital assets	30,262,770
Restricted for Keep Fort Collins Great	396,321
Unrestricted	<u>16,081,955</u>
Total Net Position	<u>\$ 46,741,046</u>

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

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Functions/ Programs				
	Total	Administration	Operations	Support	Community Safety Service
<b>GOVERNMENTAL ACTIVITIES:</b>					
<b>EXPENSES:</b>					
Personnel services	\$ 27,873,227	\$ 1,254,240	\$ 21,452,856	\$ 2,461,811	\$ 2,704,320
Contractual services	3,002,001	1,320,788	273,002	1,262,356	145,855
Commodities	1,277,815	119,165	445,791	609,866	102,993
Other	24,426	13,345	-	-	11,081
Depreciation	1,936,637	517,324	1,145,447	273,866	-
<b>Total Expenses</b>	<b>34,114,106</b>	<b>3,224,862</b>	<b>23,317,096</b>	<b>4,607,899</b>	<b>2,964,249</b>
<b>PROGRAM REVENUES:</b>					
Charges for services	1,792,763	-	237,096	85,000	1,470,667
Operating grants and contributions	31,581,448	-	31,581,448	-	-
Capital grants and contributions	3,484,143	-	3,484,143	-	-
<b>Total Program Revenues</b>	<b>36,858,354</b>	<b>-</b>	<b>35,302,687</b>	<b>85,000</b>	<b>1,470,667</b>
<b>Net Program Revenue (Expense)</b>	<b>2,744,248</b>	<b>\$ (3,224,862)</b>	<b>\$ 11,985,591</b>	<b>\$ (4,522,899)</b>	<b>\$ (1,493,582)</b>
<b>GENERAL REVENUES:</b>					
Investment earnings	283,935				
Gain on sale of capital assets	13,000				
Other miscellaneous	464,715				
<b>Total General Revenues</b>	<b>761,650</b>				
Change in Net Position	3,505,898				
Net Position - January 1	43,235,148				
<b>Net Position - December 31</b>	<b>\$ 46,741,046</b>				

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

**GOVERNMENTAL FUNDS  
BALANCE SHEET  
DECEMBER 31, 2018**

	<u>General</u>	<u>Capital Projects</u>	<u>Total Governmental</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,193,144	\$ 901,180	\$ 2,094,324
Investments	9,403,605	7,609,679	17,013,284
Receivables:			
Accounts	179,269	-	179,269
Interest	39,739	32,244	71,983
Prepaid Item	344,702	-	344,702
Due from other governments	16,250	-	16,250
	<u>11,176,709</u>	<u>8,543,103</u>	<u>19,719,812</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts payable	330,570	106,023	436,593
Wages payable	1,177,779	-	1,177,779
Unearned revenue	3,360	-	3,360
Deposits held	9,342	-	9,342
	<u>1,521,051</u>	<u>106,023</u>	<u>1,627,074</u>
Total Liabilities	<u>1,521,051</u>	<u>106,023</u>	<u>1,627,074</u>
	<u>1,521,051</u>	<u>106,023</u>	<u>1,627,074</u>
Fund Balances			
Nonspendable	344,702	-	344,702
Restricted	396,321	-	396,321
Committed	1,026,630	-	1,026,630
Assigned	251,362	8,437,080	8,688,442
Unassigned	7,636,643	-	7,636,643
	<u>9,655,658</u>	<u>8,437,080</u>	<u>18,092,738</u>
Total Fund Balances	<u>9,655,658</u>	<u>8,437,080</u>	<u>18,092,738</u>
Total Liabilities and Fund Balances	<u>\$ 11,176,709</u>	<u>\$ 8,543,103</u>	<u>\$ 19,719,812</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, 2018**

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

Total fund balances - governmental funds	\$ 18,092,738
Capital assets net of accumulated depreciation used in governmental activities are not current financial resources. Therefore they are not reported in the funds.	30,262,770
Compensated absences that are not due and payable in the current period and therefore are not reported in the funds.	(1,579,188)
Long-term liabilities, are not due and payable in the current period and therefore are not not reported in funds:	
Postemployment healthcare obligation	<u>(35,274)</u>
Net position of governmental activities	<u><u>\$ 46,741,046</u></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, 2018**

	<u>General</u>	<u>Capital Projects</u>	<u>Total Governmental</u>
<b>REVENUES</b>			
Intergovernmental	\$ 31,581,449	\$ 3,334,516	\$ 34,915,965
Fees and charges for services	1,620,294	-	1,620,294
Earnings on investments	145,601	138,334	283,935
Licenses and permits	237,096	-	237,096
Miscellaneous revenue	508,267	41,448	549,715
	<u>34,092,707</u>	<u>3,514,298</u>	<u>37,607,005</u>
<b>EXPENDITURES</b>			
Current:			
Operations	21,547,780	-	21,547,780
Administration	2,627,731	-	2,627,731
Support	4,938,233	-	4,938,233
Community safety service	2,960,317	-	2,960,317
Grant projects	122,149	-	122,149
Capital outlay	330,337	1,388,018	1,718,355
	<u>32,526,547</u>	<u>1,388,018</u>	<u>33,914,565</u>
Excess of Revenues Over Expenditures	<u>1,566,160</u>	<u>2,126,280</u>	<u>3,692,440</u>
<b>OTHER FINANCING SOURCES AND USES</b>			
Proceeds from sale of capital assets	-	13,000	13,000
Transfers in	-	129,644	129,644
Transfers out	(129,644)	-	(129,644)
	<u>(129,644)</u>	<u>142,644</u>	<u>13,000</u>
Net Change in Fund Balances	1,436,516	2,268,924	3,705,440
Fund Balances--January 1	<u>8,219,142</u>	<u>6,168,156</u>	<u>14,387,298</u>
Fund Balances--December 31	<u>\$ 9,655,658</u>	<u>\$ 8,437,080</u>	<u>\$ 18,092,738</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, 2018**

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

Net change in fund balances - total governmental funds	\$ 3,705,440
--	--------------

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	1,796,584
The net effect of current year disposal of capital assets	(15,000)
Less current year depreciation	<u>(1,936,637)</u>
	(155,053)

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	(36,737)
Change in postemployment health benefits	<u>(7,752)</u>
	<u>(44,489)</u>

Change in net position of governmental activities	<u>\$ 3,505,898</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, 2018**

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Actual</u>
<b>REVENUES</b>				
Intergovernmental	\$31,581,449	\$31,417,318	\$31,564,928	\$ 16,521
Fees and charges for services	1,620,294	799,253	834,554	785,740
Earnings on investments	145,601	40,000	40,000	105,601
Licenses and permits	237,096	134,358	134,358	102,738
Miscellaneous revenue	508,267	24,500	125,107	383,160
Total Revenues	<u>34,092,707</u>	<u>32,415,429</u>	<u>32,698,947</u>	<u>1,393,760</u>
<b>EXPENDITURES</b>				
Personnel costs	27,836,490	28,116,067	28,328,378	491,888
Purchased professional/technical services	498,874	583,166	574,107	75,233
Purchased property services	1,035,913	678,707	870,013	(165,900)
Other purchased services	1,282,756	1,094,361	1,125,670	(157,086)
Supplies	1,525,503	1,612,564	1,638,363	112,860
Capital outlay	330,337	246,100	562,450	232,113
Other	16,674	330,464	335,464	318,790
Transfers	129,644	-	129,644	-
Total Expenditures	<u>32,656,191</u>	<u>\$32,661,429</u>	<u>\$33,564,089</u>	<u>\$ 907,898</u>
Excess of Revenues Over Expenditures	1,436,516			
Fund Balance--January 1	<u>8,219,142</u>			
Fund Balance--December 31	<u>\$ 9,655,658</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 (PVFPD) 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 the 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 PVFPD. 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, 2018, 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.

Seven resolutions making supplemental appropriations to the original adopted budget were enacted during 2018.

### *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. 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 greater than one year. 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. Liability for compensated absences has historically been liquidated by the general fund.

**Other Postemployment Benefits (OPEB)**

The net OPEB liability and OPEB expense has been determined on the same basis as that reported by the governmental activities. For this purpose, long-term obligations are reported as liabilities in the statement of net position. OPEB expense is recognized during the current period.

**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.

For the capital projects fund, any remaining positive amounts not classified in the above categories are reported as assigned. 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 nonspendable, 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 \$396,321 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.

### **New Accounting Pronouncements not yet Adopted**

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 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, 2020 with earlier adoption encouraged. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee must recognize (1) a lease liability and (2) an intangible asset representing the lessee's right to use the leased asset. In addition, the Authority must report the (1) amortization expense for using the asset over the shorter of the term of the lease or the useful life of the underlying asset, (2) interest expense on the lease liability and (3) note disclosures about the lease. The Statement provides exceptions from the single-approach for short-term leases, financial purchases, leases of

assets that are investments and certain regulated leases. This statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, non-lease components embedded in lease contracts (such as service agreements), and leases with related parties.

## **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. As such, they are not evidenced by accounts or securities in the Authority's name that exist in physical or book entry form.

The City's deposits of cash are governed by Colorado State Statutes that specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance (FDIC) on deposits held.

The Colorado Public Deposit Protection Act (PDPA) requires all units of local government deposit cash in eligible public depositories determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized in accordance with the PDPA. PDPA allows the institution to create a single collateral pool for all public funds to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least 102% of the aggregate uninsured deposits. All deposits in 2018 were in eligible public depositories, as defined by the Public Deposit Protection Act of 1989

### **Deposits**

The carrying amount of the Authority's deposits held by the City as of December 31, 2018 was \$2,094,324. The bank balance was \$2,072,209.

### **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 Government National Mortgage Association (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.

A change in the interest rates on variable (floating) rate bonds likewise affects the amounts of interest received on those securities.

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, 2018, 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 Aaa by Moody's Investor Services and AA+/- by Standard and Poor's. The Authority also has a share of Corporate Bonds with ratings ranging from AA- to AA+ from S&P and Aa3 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 2018, the Authority had 38.1% of its investments in FFCB, 18.3% in FHLB, 8.4% in FHLMC, and 29.6% 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, on behalf of the Authority, 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 securities and Local Government Investment Pools (LGIP). The investments are valued at fair value at least monthly.

For the City, 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 Trade Reporting and Compliance Engine (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.

The City, on behalf of the Authority, has no other investments meeting the fair value disclosure requirements of GASB Statement No. 72. As of December 31, 2018, the City held, on behalf of the Authority, the following investments and maturities:

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>						
<i>Instrumentality</i>						
Federal Farm Credit Bank (FFCB)	AA+/AAA	2	\$ 6,476,808	238,904	6,129,490	\$ 108,414
Federal Home Loan Bank (FHLB)	AA+/AAA	2	3,107,012	215,969	2,891,043	-
Federal Home Loan Mortgage Corporation (FHLMC)	AA+/AAA	2	1,437,016	-	1,437,016	-
Federal National Mortgage Association (FNMA)	AA+/AAA	2	5,040,174	353,536	4,686,638	-
Corporate bonds	AA+/AA1	2	497,233	44,193	453,040	-
Corporate bonds	AAA/AAA	2	155,783	-	155,783	-
Corporate bonds	AA-/AA3	2	154,722	-	154,722	-
Corporate bonds	AA+/AA2	2	144,536	-	144,536	-
Total Investments Controlled by the City			\$ 17,013,284	\$ 852,602	\$16,052,268	\$ 108,414
Percent of Total				5%	94%	1%

## B. Capital Assets

A summary of changes in capital asset activity for the year ended December 31, 2018 follows:

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
<u>Primary Government:</u>					
Governmental activities					
Capital assets, not being depreciated:					
Land	\$ 1,608,426	\$ -	\$ -	\$ (15,000)	\$ 1,593,426
Construction in progress	266,865	1,066,686	(1,310,164)	-	23,387
Total capital assets, not being depreciated	1,875,291	1,066,686	(1,310,164)	(15,000)	1,616,813
Capital assets, being depreciated:					
Buildings and improvements	25,852,797	-	31,583	-	25,884,380
Improvements other than buildings	2,137,799	-	55,520	-	2,193,319
Machinery and equipment	20,328,575	744,899	1,223,061	(577,883)	21,718,652
Total capital assets being depreciated	48,319,171	744,899	1,310,164	(577,883)	49,796,350
Less accumulated depreciation for:					
Buildings and improvements	(8,613,357)	(528,986)	-	-	(9,142,343)
Improvements other than buildings	(689,908)	(110,119)	-	-	(800,027)
Machinery and equipment	(10,488,374)	(1,297,532)	-	577,883	(11,208,023)
Total accumulated depreciation	(19,791,639)	(1,936,637)	-	577,883	(21,150,393)
Total capital assets being depreciated, net	28,527,532	(1,191,738)	1,310,164	-	28,645,957
Governmental activities capital assets, net	\$ 30,402,823	\$ (125,053)	\$ -	\$ (15,000)	\$ 30,262,770

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

	Governmental Activities
Operations	\$ 1,145,447
Administration	517,324
Support	273,866
	<u>\$ 1,936,637</u>

### C. Fund Balances

The Authority's general fund has a nonspendable fund balance of \$344,702, all of which is for prepaid insurance. The general fund has a restricted fund balance of \$396,321, all of which is for Keep Fort Collins Great taxes received and not spent. The general fund has \$1,026,630 reported as committed fund balance for government operations. There is \$251,362 reported as assigned fund balance, which is comprised of \$27,218 for workers' compensation and \$224,144 for encumbrances. The general fund's unassigned fund balance as of December 31, 2018 is \$7,636,643.

The Authority's capital projects fund reports \$8,437,080 of fund balance, all of which is assigned for capital projects.

## **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 maintains 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 excluded. Crime coverage has a \$5,000 deductible. Equipment breakdown coverage has a \$1,000 deductible. Vehicle comprehensive and collision coverage has a \$5,000 deductible.

The liability coverage through Colorado Special Districts Property and Liability Pool includes:

- General, Vehicle, & Wrongful Acts Liability - \$2 million primary policy with a \$10,000 deductible
- Public Official Liability - \$2 million primary policy with a \$1,000 deductible
- Employee Benefits Liability is included with a \$10,000 deductible
- Employment Practices Liability is included with a \$50,000 deductible
- Excess Liability - \$8 million policy

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

There have been no significant claims exceeding insurance coverage limits during each of the past three years.

#### **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 have 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 2018:

City of Fort Collins – As described in Note 1 (page 33), the City of Fort Collins provides funding for the Authority. During 2018, such funding amounted to \$27,940,474. The City also provided, per the IGA, accounting and administrative services to the Authority at no charge.

Poudre Valley Fire Protection District – During 2018, the District contributed funds amounting to \$6,686,200.

## **C. Employee Retirement Systems**

### **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. Firefighters are eligible to participate from the date of employment. All eligible participants are required to participate in the plan as a condition of employment. Under the plan the Authority is required to contribute 11%, with participants required to contribute 10% of base pay each pay period. Contributions by the Authority are not taxable to the employee until withdrawn. Participant contributions are made with pre-tax dollars, with earnings on the Authority and participant contributions not taxed until withdrawn. Participants are fully vested upon initial participation into the plan. The Authority has the option to amend the terms of the plans, with approval of at least sixty-five percent of the total votes cast by actively-employed eligible firefighters and all former employees who are entitled to a benefit from the plans. The Poudre Fire Authority Board of Directors, via resolution, appointed ICMA-RC as the Plan administrator for the plan.

The Authority and participant contributions to the plan were \$1,848,021 and \$1,701,714, respectively during 2018. 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.

Civilian employees are offered a separate defined contribution money purchase plan, which is incorporated with the defined contribution money purchase plan established by the City. The plan requires the Authority and participants to contribute 7.5% and 3%, respectively, of base salary each pay period. Contributions made by the Authority are not taxable to the participant until they are withdrawn. Participant contributions are made with pre-tax dollars, and the earnings on the Authority and employee contributions are not taxed until withdrawn. Employees are eligible to participate six months from the date of employment. Employees are fully vested upon initial participation in the plan. Contribution requirements are established and may be amended by the Authority. Plan provisions are established and may be amended

by Council for City of Fort Collins. Neither the Authority nor the City of Fort Collins have administrative involvement in the plan. 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*

Prior to 1997, the State of Colorado, whose contributions were established by Colorado statute, primarily funded the Plan. The State made a one-time contribution in 1997 of \$39,000,000 to fund the past and future service costs for all firefighters and police officers hired prior to January 1, 1997. No further State contributions are anticipated.

The annual contribution rate for members hired on or after January 1, 1997 and for members covered by Social Security is 2.6% as of January 1, 2011. Based on 2016 actuarial results, the Fire & Police Pension Association Board of Directors agreed to increase the contribution rate to 2.7%, effective January 1, 2017 through December 31, 2018. Contributions made by the Authority for fiscal year 2018 were \$355,666.

#### *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%.

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.

In the 2018 Collective Bargaining Agreement, the Authority agreed to provide an RHS plan to members of the bargaining unit, Battalion Chiefs, and uniformed Division Chiefs. The Authority makes mandatory contributions to the plan on behalf of the employees based on years of service to the Authority. Following is the schedule of contributions for the year 2018.

<b>Years of Service</b>	<b>Employer Contribution (Percentage of bi-weekly base salary)</b>
0 – 9.99 years	1% of base salary
10-19.99 years	1.25% of base salary
20 or more years	1.5% of base salary
For Employees hired before April 1, 1986	2.90% of base salary

Employees may invest the contributions within the plan in accordance with plan guidelines and the plan’s available investment options. The contributions are placed directly into the Employee’s RHS plan on behalf of the Employee in accordance with the applicable plan guidelines.

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, with monies being withdrawn tax-free for qualifying expenses. No federal, state or FICA tax is 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 (the Plan) that 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 Plan. In addition, those employees who retired on or after September 1, 2009, but before January 1, 2010 and elected retiree health coverage may participate in the 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 2018, the Authority contributed \$3,678. Retiree and active members receiving benefits contribute monthly premiums as outlined below:

	Premier Non-Medicare	Premier Medicare	Dental	Vision
Employee:	\$ 1,227	\$ 490	\$ 40	\$ 8
Employee +1:	2,452	981	71	16

**Participants Covered by the Benefit Terms**

The following is a summary of Plan participants at December 31, 2018:

Participants	Participants	
	Retiree	Spouse
Medical	4	1
Dental	13	8
Vision	11	4

Total OPEB Liability: The Authority's total OPEB liability of \$35,274 was measured as of December 31, 2018 and was determined by an actuarial valuation as of December 31, 2017.

The total OPEB liability as of December 31, 2018 was determined using the following actuarial assumptions and other inputs:

Inflation	2.50%
Salary increases, including inflation	N/A
Discount rate	4.10%

The discount rate was based on the Bond Buyer 20-Bond Governmental Obligations Index.

Mortality rates were based on the Pub-2010 General Employee Mortality Tables projected generationally using Scale MP2018. The size of the Plan's population is not large enough to have a statistically credible independent study of retiree mortality. A standard published table appropriate to the Plan's retiree population was used with a margin for future mortality improvement relative to recent Plan experience.

**Changes in the Total OPEB Liability:**

	<u>Increase (Decrease)</u> <u>Total OPEB Liability</u>
Balance as of December 31, 2017	\$ 27,522
Changes for the year:	
Interest on total OPEB liability	4,206
Effect of assumption changes or inputs	7,224
Benefit payments	<u>(3,678)</u>
Balance as of December 31, 2018	<u>\$ 35,274</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.44 percent in 2017 to 4.10 percent in 2018.

**Sensitivity Analysis**

The following presents the total OPEB liability of the Authority, calculated using the discount rate of 4.10 percent, as well as what the Authority's total OPEB liability would be if it were

calculated using a discount rate that is 1 percentage point lower (3.10 percent) or 1 percentage point higher (5.10 percent) than the current rate:

	1% Decrease 3.10%	Current Discount Rate 4.10%	1% Increase 5.10%
Total OPEB liability	\$ 39,045	\$ 35,274	\$ 32,083

The following presents total OPEB liability of the Authority, calculated using the current healthcare cost trend rates as well as what the Authority's total OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	\$ 31,928	\$ 35,274	\$ 39,155

### Deferred Inflows/Outflows of Resources

For the year ended December 31, 2018, the Authority recognized OPEB expense of \$11,430. At December 31, 2018, the Authority reported \$0 in deferred outflows of resources and \$0 in deferred inflows of resources.

### E. Legal Matters

#### *Pending Litigation and Grants*

There is one possible claim which the Authority has been associated with, but is not currently a named party to at this time. After consideration of applicable insurance policy coverage, and the relative merits of the claim, it is the opinion of the Authority that the potential ultimate liability resulting from such claim, if any, will not have a material adverse financial effect on 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 (unaudited)

### Other Post-Employment Benefits Plan

Total OPEB Liability:	
Service Cost	\$ -
Interest	4,206
Changes of assumptions and other inputs	7,224
Benefit payments	<u>(3,678)</u>
<b>Net change in total OPEB liability</b>	<b>7,752</b>
Total OPEB liability, beginning	<u>27,522</u>
Total OPEB liability, ending	<u><u>\$ 35,274</u></u>

#### Schedule of Changes in Total OPEB Liability and Related Ratios

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Total OPEB Liability</b>										
Service cost	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interest on total OPEB liability	4,206	1,020	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Changes of benefit terms	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic gains or (losses)	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	7,224	852	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments	(3,678)	(2,632)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net change in total OPEB liability	7,752	(760)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, beginning	27,522	28,282	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, ending	35,274	27,522	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability as a % of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to schedule:

Information is not available prior to 2017. In future reports additional information will be added until 10 years of historical data is presented

*Changes of assumptions:* Changes of assumptions and other inputs reflect the changes in the discount rate each period. The following are discount rates used in each period.

2018	4.10%
2017	3.44%
2016	3.78%

## SUPPLEMENTARY INFORMATION



Wildland Firefighting Crew - 2018

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, 2018**

	<u>Actual</u>	<u>Prior Years Actual</u>	<u>Cumulative Actual</u>	<u>Cumulative Budget</u>	<u>Variance</u>
<b>REVENUES</b>					
Intergovernmental	\$ 3,334,516	\$ 24,618,283	\$ 27,952,799	\$ 29,154,045	\$ (1,201,246)
Earnings on investments	138,334	1,215,895	1,354,229	969,695	384,534
Miscellaneous revenue	41,448	1,098,283	1,139,731	706,517	433,214
Total Revenues	<u>3,514,298</u>	<u>26,932,461</u>	<u>30,446,759</u>	<u>30,830,257</u>	<u>(383,498)</u>
<b>EXPENDITURES</b>					
Apparatus equipment replacement	293,585	14,311,148	14,604,733	16,534,510	1,929,777
Burn building	18,988	326,239	345,227	427,021	81,794
Station 8	26,233	5,344,665	5,370,898	5,723,795	352,897
Facilities maintenance	240,725	894,906	1,135,631	1,314,112	178,481
SCBA replacement	5,287	1,605,100	1,610,387	2,248,290	637,903
Computer/technology replacement	14,556	423,264	437,820	778,885	341,065
Radio replacement	95,494	972,228	1,067,722	1,348,213	280,491
Hose replacement	7,380	63,341	70,721	96,782	26,061
Thermal imager replacement	16,896	79,373	96,269	145,188	48,919
Staff vehicle replacement	116	378,062	378,178	486,982	108,804
Major Station Remodel	37,702	159,102	196,804	220,000	23,196
Training Center Improvement	132,349	-	132,349	226,531	94,182
Mobile Data Terminals	99,625	-	99,625	120,471	20,846
RMS Replacement	399,082	-	399,082	932,342	533,260
Total Expenditures	<u>1,388,018</u>	<u>24,557,428</u>	<u>25,945,446</u>	<u>30,603,122</u>	<u>4,657,676</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,126,280</u>	<u>2,375,033</u>	<u>4,501,313</u>	<u>227,135</u>	<u>4,274,178</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of capital assets	13,000	132,972	145,972	30,144	115,828
Transfers In:					
Transfers from PFA Operating Fund	129,644	5,593,263	5,722,907	4,288,306	1,434,601
Transfers from PFA Capital Fund (internal)	740,404	-	740,404	740,404	-
Transfers Out:					
Transfers to PFA Operating Fund	-	(107,740)	(107,740)	(107,740)	-
Transfers to PFA Capital Fund (internal)	(740,404)	-	(740,404)	(50,000)	(690,404)
Total Other Financing Sources (Uses)	<u>142,644</u>	<u>5,618,495</u>	<u>5,761,139</u>	<u>4,901,114</u>	<u>860,025</u>
Net Change in Fund Balances	<u>\$ 2,268,924</u>	<u>\$ 7,993,528</u>	<u>\$ 10,262,452</u>	<u>\$ 5,128,249</u>	<u>\$ 5,134,203</u>
Fund Balances--January 1	<u>\$ 6,168,156</u>				
Fund Balances--December 31	<u>\$ 8,437,080</u>				

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## Statistical Section (unaudited)

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.



Firefighters practicing Intravenous Skills

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.....	59
Changes in Net Position .....	60
Fund Balances, Governmental Funds .....	61
Changes in Fund Balances.....	62

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 .....	63
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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.....	64
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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.....	65
Principal Employers – City of Fort Collins .....	66
Full-time Equivalent Authority Employees by Function/Program .....	67

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.....	68
Capital Asset Statistics by Function/Program.....	69

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

Exhibit A

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	\$ 18,982	\$ 19,661	\$ 20,783	\$ 20,892	\$ 19,664	\$ 19,397	\$ 19,809	\$ 27,351	\$ 30,403	\$ 30,263
Restricted	-	-	816	292	394	628	757	1,210	706	396
Unrestricted	7,088	7,109	6,812	7,751	9,101	10,425	12,178	10,410	12,126	16,082
Total governmental activities net position	\$ 26,070	\$ 26,770	\$ 28,411	\$ 28,935	\$ 29,159	\$ 30,450	\$ 32,744	\$ 38,971	\$ 43,235	\$ 46,741

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses</b>										
Governmental activities										
Administration	\$2,185	\$3,270	\$2,409	\$2,456	\$2,639	\$2,358	\$2,572	\$2,444	\$3,620	\$3,225
Operations	18,940	17,740	20,124	21,293	21,921	22,022	22,760	21,609	22,444	23,317
Support	-	-	-	-	-	-	-	2,393	2,487	4,608
Fire Prevention/Community Safety Service	1,203	1,202	1,211	1,166	1,715	1,814	1,990	2,353	4,672	2,964
Total governmental activities expenses	22,328	22,212	23,744	24,915	26,275	26,194	27,322	28,799	33,223	34,114
<b>Program Revenues</b>										
Governmental activities										
Charges for services	461	616	882	1,062	1,197	1,665	1,667	1,844	1,632	1,793
Operating grants & contributions	20,544	20,986	23,782	23,590	24,202	23,930	27,705	31,376	30,225	31,581
Capital grants and contributions	1,180	950	535	535	897	1,447	-	1,626	5,117	3,484
Total governmental activities program revenues	22,185	22,552	25,199	25,187	26,296	27,042	29,373	34,846	36,974	36,858
<b>Net (expenses) revenue</b>										
Governmental activities	(143)	340	1,455	272	21	848	2,050	6,046	3,751	2,744
General revenues										
Investment earnings	136	129	151	113	13	151	153	64	170	284
Sale of equipment	-	-	-	-	-	-	-	37	-	13
Miscellaneous revenue	121	231	80	139	189	292	92	79	344	465
Total governmental activities	257	360	231	252	202	443	245	180	514	762
Change in net position	\$ 114	\$ 700	\$1,686	\$ 524	\$ 223	\$1,291	\$2,295	\$6,226	\$4,265	\$ 3,506
Total governmental activities										

**Fund Balances, Governmental Funds (in thousands)**

Exhibit C

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Nonspendable	\$ 93	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 345
Restricted	-	-	816	292	394	627	757	1,210	705	396
Committed	-	-	-	-	-	-	-	936	971	1,027
Assigned	1,236	787	923	1,643	1,236	1,271	1,468	87	356	251
Unassigned	272	1,516	2,151	2,099	3,054	4,150	4,568	5,439	6,187	7,637
<b>Total General Fund</b>	<b>\$1,601</b>	<b>\$2,303</b>	<b>\$3,890</b>	<b>\$4,034</b>	<b>\$4,684</b>	<b>\$6,048</b>	<b>\$6,793</b>	<b>\$7,672</b>	<b>\$8,219</b>	<b>\$9,656</b>
All Other Governmental Funds										
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	6,969	6,448	5,413	5,649	6,389	6,654	7,811	5,440	6,168	8,437
Unassigned	-	-	-	-	-	-	-	-	-	-
<b>Total Other Governmental Funds</b>	<b>\$6,969</b>	<b>\$6,448</b>	<b>\$5,413</b>	<b>\$5,649</b>	<b>\$6,389</b>	<b>\$6,654</b>	<b>\$7,811</b>	<b>\$5,440</b>	<b>\$6,168</b>	<b>\$8,437</b>

**Changes in Fund Balances, Governmental Funds (in thousands)**

Exhibit D

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues</b>										
Intergovernmental	\$ 21,724	\$ 21,936	\$ 24,020	\$ 23,856	\$ 24,938	\$ 25,377	\$ 27,476	\$ 32,839	\$ 35,113	\$ 34,916
Fees and charges for services	311	439	689	1,083	1,197	1,491	1,667	1,726	1,549	1,620
Earnings on investments	136	129	151	113	13	151	153	64	170	284
Licenses and permits	150	176	193	248	161	174	229	162	213	237
Miscellaneous revenue	121	91	80	133	124	292	92	198	428	550
<b>Total Revenues</b>	<b>22,442</b>	<b>22,771</b>	<b>25,133</b>	<b>25,433</b>	<b>26,433</b>	<b>27,485</b>	<b>29,617</b>	<b>34,989</b>	<b>37,473</b>	<b>37,607</b>
<b>Expenditures</b>										
Operations	17,189	17,193	18,421	19,913	20,110	20,548	21,355	18,816	20,535	21,548
Administration	1,793	1,952	1,954	2,143	2,346	1,984	2,132	2,109	3,083	2,628
Support	-	-	-	-	-	-	-	4,027	4,606	4,938
Community Safety Service	1,182	1,160	1,201	1,151	1,714	1,803	1,931	2,241	2,509	2,960
Grant projects	44	176	447	46	218	118	156	220	158	122
Capital outlay	5,397	2,107	2,324	1,571	489	1,180	1,906	8,871	3,184	1,718
Debt Services:										
Principal retirement	109	114	119	123	128	134	139	145	2,041	-
Interest	125	120	116	111	106	101	95	89	84	-
<b>Total expenditures</b>	<b>25,839</b>	<b>22,822</b>	<b>24,582</b>	<b>25,058</b>	<b>25,111</b>	<b>25,868</b>	<b>27,714</b>	<b>36,518</b>	<b>36,199</b>	<b>33,915</b>
Excess (deficiency) of revenues over (under) expenditures	(3,397)	(51)	551	375	1,322	1,617	1,903	(1,529)	1,275	3,692
<b>Other financing sources (uses)</b>										
Proceeds from sale of capital assets	-	230	-	7	65	14	-	37	-	13
Transfers in	924	119	296	870	-	-	1,227	1,227	582	870
Transfers out	(924)	(119)	(296)	(870)	-	-	(1,227)	(1,227)	(582)	(870)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>230</b>	<b>-</b>	<b>7</b>	<b>65</b>	<b>14</b>	<b>-</b>	<b>37</b>	<b>-</b>	<b>13</b>
<b>Net change in fund balances</b>	<b>\$ (3,397)</b>	<b>\$ 179</b>	<b>\$ 551</b>	<b>\$ 382</b>	<b>\$ 1,387</b>	<b>\$ 1,631</b>	<b>\$ 1,903</b>	<b>\$ (1,492)</b>	<b>\$ 1,275</b>	<b>\$ 3,705</b>

**Revenues by Source, Governmental Funds** *(in thousands)*

Exhibit E

Last Ten Fiscal Years

*(modified accrual basis of accounting)*

Fiscal Year	City of Fort Collins		FEMA -	NCRCN	Grants	City FC - Capital	Total Intergovernmental Revenues
	Collins	PVFPD	OEM	Radio Maintenance		Expansion Fee - Station 4 Lease/Purchase	
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
2017	29,062	5,730	15	233	73	-	35,113
2018	27,940	6,686	15	6	269	-	34,916

**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. In 2018 the City of Fort Collins contributed 80.02% of PFA intergovernmental revenue from its property tax and sales and use tax revenue and KFCG sales tax initiative. The PVFPD contributed 19.15% of PFA intergovernmental revenue from its property tax and specific ownership tax (2016 included District capital contribution and Timnath TIF funds for Station 8 staffing and construction). The Poudre Fire Authority does not have legal status to issue bonds.

**Ratio of Outstanding Debt by Type**

Exhibit F

Last Ten Fiscal Years

*in thousands*

Fiscal Year	Capital Leases	Personal Income	Percentage of Personal Income	Per Capita (\$)
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	16,019,414	0.0128%	0.010
2017	-	N/A	N/A	-
2018	-	N/A	N/A	-

**Notes:**

- Personal Income provided by the Bureau of Economic Analysis.

- In 2007 the Authority procured a lease purchase under the debt authority of the PVFPD to build a replacement fire station, with repayment from the City of Fort Collins' Capital Expansion fee for Fire. For accounting purposes, the lease was reported as a capital lease. The lease purchase was paid in full as of December 31, 2017, saving \$450,000 in future interest payments.

- 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-Aurora-Lakewood CPI-U	Fort Collins Residential Building Permits
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	16,019,414	80,518	2.2%	248.10*	589
2017	206,206	16,724,268	81,105	2.4%	248.70*	649
2018	209,588	N/A	N/A	2.3%	254.70	414

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

\*Previously known as Denver-Boulder-Greeley CPI-U

**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 2018 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**  
2018 and Ten Years Ago

Exhibit H

<u>Employer</u>				<b>Fiscal Year 2009 *</b>		
	<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	7,200	1	7.0%	6,755	1	7.8%
Poudre R-1 School District	4,500	2	4.4%	3,929	2	4.5%
UC Health: Poudre Valley Hospital	4,100	3	4.0%	2,832	3	3.3%
City of Fort Collins	2,200	4	2.1%	1,795	5	2.1%
Larimer County	1,700	5	1.6%	1,975	4	2.3%
Broadcom (Avago)	1,500	6	1.5%	656	9	0.8%
Woodward	1,300	7	1.3%	994	8	1.1%
Otter Products, LLC	1,000	8	1.0%			
Department of Agriculture	740	9	0.6%			
Hewlett Packard	-	-	-	1,524	6	1.8%
Anheuser Busch	-	-	-	609	10	0.7%
Center Partners	-	-	-	1,081	7	1.2%
Tolmar Inc	650	10	0.6%			
<b>Total</b>	<b>24,890</b>		<b>24.1%</b>	<b>22,150</b>		<b>25.6%</b>

Source: United States Bureau of Labor and Statistics

\*2008 data not available.

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

Exhibit I

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Administration</b>										
Admin Secretary I	-	-	-	1	1	1	1	-	-	-
Admin Secretary II	1	1	1	1	1	1	1	1	1	-
Accounts Payable Rep	-	-	-	-	-	-	-	1	1	1
Planning & Data Analysis	-	-	-	-	-	-	-	-	-	1
Admin Assistant	1	1	1	1	1	1	1	1	2	2
Admin Asst & Board Coord	-	-	-	-	1	1	1	1	1	1
Budget Coordinator	1	1	1	-	-	-	-	-	-	-
Senior Budget & Board Coordinator	-	-	-	1	1	1	1	-	-	-
Captain II	1	1	1	1	2	2	1	-	-	-
HR & Policy Admin	1	1	1	1	1	1	1	1	1	1
Finance & Budget Supervisor	-	-	-	-	-	-	-	1	1	1
IT Analyst	1	1	1	1	1	1	1	-	-	-
Battalion Chief (staff)	-	-	-	-	-	-	-	1	1	1
Admin Service Director	1	1	1	1	1	1	1	1	1	1
Division Chief A	-	-	-	-	1	1	1	1	1	-
Fire Chief	1	1	1	1	1	1	1	1	1	1
<b>Community Safety &amp; Service</b>										
Admin Secretary I	-	-	-	-	-	-	-	2	2	-
Admin Secretary II	1	1	1	1	1	1	1	1	1	3
Admin Assistant	1	1	1	1	1	1	1	1	-	-
Fire Prevention Tech - NR*	-	-	-	-	-	-	-	-	-	2
Asst Fire Marshal-NR*	2	2	2	2	2	2	2	2	2	1
Public Education Coord.	-	-	-	-	-	-	-	1	1	2
40 Hour Firefighter	2	2	2	2	2	2	2	2	2	3
Captain II	2	2	2	3	3	3	3	2	2	2
Public Affairs/Communications Mgr	-	-	-	-	-	-	-	1	1	1
Emer Mgt Specialist	-	-	-	-	1	1	1	1	1	1
Battalion Chief/Emer Mngr	-	-	-	-	1	1	1	2	2	2
Division Chief A	1	1	1	1	1	1	1	1	1	1
<b>Support</b>										
Admin Secretary II	1	1	1	1	1	1	1	1	1	1
Fleet Maintenance Tech	-	-	-	-	-	-	2	2	3	3
IT Support Specialist	-	-	-	-	-	-	1	1	1	1
GIS Programmer Analyst	-	-	-	-	-	-	1	1	1	1
40 Hour Firefighter	-	-	-	-	-	-	1	1	1	1
IT Analyst	-	-	-	-	-	-	1	1	2	2
EMS Coordinator	-	-	-	-	-	1	1	1	1	1
Captain II	-	-	-	-	-	-	4	4	4	6
Battalion Chief I (staff)	-	-	-	-	-	-	2	2	3	3
Division Chief A	-	-	-	-	-	-	1	1	1	1
<b>Operations</b>										
Admin Secretary II	2	2	2	2	1	1	-	-	-	-
Fleet Maintenance Tech	1	1	1	2	2	2	-	-	-	-
EMS Coordinator	1	1	1	1	1	-	-	-	-	-
GIS Mapping Technician	1	1	1	1	1	1	-	-	-	-
Introductory Firefighter	1	2	7	12	7	10	12	15	14	2
Firefighter I, Tech I	-	-	-	-	-	-	-	18	18	-
Firefighter/Driver Operator	86	85	87	87	91	89	90	73	82	112
Firefighter II, FIC	6	6	6	6	6	6	6	6	3	-
40 Hour Firefighter	1	1	1	1	1	1	-	-	-	-
Captain I	38	38	38	39	39	39	39	42	42	42
Captain II	5	5	5	3	3	3	1	1	1	1
Battalion Chief I (shift)	3	3	6	6	6	6	6	6	6	6
Battalion Chief I (staff)	3	3	3	3	2	2	-	-	-	-
Division Chief A	1	1	1	1	1	1	-	-	-	1
<b>Total Fire Personnel</b>	<b>167</b>	<b>167</b>	<b>177</b>	<b>184</b>	<b>186</b>	<b>187</b>	<b>191</b>	<b>202</b>	<b>210</b>	<b>212</b>

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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Fire Operations</b>										
Fires/Explosions	392	390	400	449	379	339	373	348	362	321
Rescue / EMS	9,160	10,207	11,401	11,799	12,426	13,397	14,120	14,772	14,535	13,824
Hazardous Condition - no fire	263	307	400	341	347	371	468	506	550	605
Service Call	808	752	813	904	738	732	755	847	1,148	1,396
Good Intent Call	2,067	1,617	1,263	1,201	1,298	1,529	2,052	3,087	4,152	4,416
False Alarms / False Calls	1,105	1,059	1,218	1,192	1,256	1,241	1,293	1,409	1,401	1,340
Other Requests for Service	23	30	51	50	31	37	39	59	49	65
<b>Total Calls</b>	<b>13,818</b>	<b>14,362</b>	<b>15,546</b>	<b>15,936</b>	<b>16,475</b>	<b>17,646</b>	<b>19,100</b>	<b>21,028</b>	<b>22,197</b>	<b>21,967</b>
<b>Support Services</b>										
Square footage of buildings maintained	154,729	154,729	154,729	154,729	154,729	154,729	155,869	170,178	170,178	170,178
<b>Community Safety &amp; Services</b>										
Fire Investigations	96	108	143	152	144	142	126	132	140	127
Building Plan Reviews	246	309	303	380	355	429	402	374	379	420
Business Inspections	2,637	2,364	1,887	4,469	3,880	4,586	5,156	5,180	6,846	5,049
Fire System Permits/Plan Reviews	270	304	296	260	220	467	459	506	516	481
Car seat checks	474	354	340	382	361	366	336	320	314	100
Public Education Contacts (all ages)	14,102	15,952	13,776	12,313	12,380	15,494	18,605	8,410	11,456	8,451
<b>Training Operations</b>										
Training Hours (Career Firefighters)	40,765	31,312	33,100	46,758	42,878	48,861	45,682	51,708	51,708	32,715
Company Training Hours (Career)										

**Source:**

Poudre Fire Authority Annual Reports

**Clarification:**

*Business Inspections, PFA employs three inspectors that complete both the general and fire suppression inspections of all commercial buildings within PFA's jurisdiction.*

*Public Education Contacts (all ages) - In 2016, a drop from 2015 to 2016 in the overall number of people educated was shown. That was due to two things: the team has committed to saying "no" to events in which the team does not have meaningful, educational interactions with attendees, and because of a change to recording "meaningful interactions," versus the estimated number of total attendees at a given event. 2017 and 2018 data reflects community member interactions with PFA staff.*

**Capital Asset Statistics by Function/Program**  
Last Ten Fiscal Years

Exhibit K

Function/Program	Fiscal Years									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Administration</b>										
Headquarters Building	1	1	1	1	1	1	1	1	1	1
Phone System	1	1	1	1	1	1	1	1	1	1
Staff Vehicles	2	2	2	2	3	2	2	2	2	2
<b>Fire Operations</b>										
Air Truck	1	1	1	1	1	1	1	1	1	1
Antique Apparatus	2	2	2	2	2	2	2	2	3	3
Battalion Chief Response Vehicle	2	2	3	3	3	3	3	3	3	3
Collapse Truck (Tech Rescue Equipment)	-	-	-	-	1	1	1	1	1	1
Command Post	1	1	1	1	1	1	1	1	1	1
Customer Assistance Response Team Vehicle	-	1	1	1	1	1	1	1	1	1
Dispatch Consoles	2	2	2	4	4	4	4	4	4	4
Draft Commander	-	-	-	-	-	-	-	-	1	1
Engines	17	18	16	16	15	15	15	15	15	15
Fire Stations	13	13	13	13	13	13	13	13	13	13
Hazardous Materials Squad	1	1	1	1	1	1	1	1	1	1
Mechanic Truck	1	1	1	1	1	1	1	-	-	-
Roving Alternative Medical Unit	-	-	-	-	-	-	-	-	-	1
Rehab Bus (EMS Rehab for PFA responders)	1	1	1	1	1	1	1	1	1	1
Staff Vehicles	11	11	14	14	12	14	14	9	9	9
Tender (water)	3	3	3	3	3	4	4	4	4	4
Tower/Ladder Trucks	4	5	4	4	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	7	7	7	7	7	7	7	7
Zodiac Boat and trailer	-	-	-	-	1	1	1	1	1	1
<b>Community Safety &amp; Services</b>										
Staff Vehicles	7	7	7	7	9	10	10	14	14	12
Plotter	-	-	-	1	1	1	1	1	1	1
Moto Electric Vehicle	-	-	-	-	-	-	-	-	1	1
Fire Safety House	1	1	1	1	1	1	1	1	1	1
<b>Support</b>										
Staff Vehicles	-	-	-	-	-	-	-	11	11	11
Mechanic Truck	-	-	-	-	-	-	-	1	1	1
Telehandler	-	-	-	-	-	-	-	-	-	1
John Deere Backhoe	-	-	-	-	-	-	-	-	-	1
Bobcat	-	-	-	-	-	-	-	-	1	1
	80	83	85	88	90	93	93	103	107	108

Source: PFA Budget Office

