

Comprehensive Annual Financial Report

For the Fiscal Year Ended December 31, 2018



**South Metro/Cunningham Fire
Rescue Authority**
Arapahoe and Douglas Counties, Colorado

**South Metro/Cunningham
Fire Rescue Authority
ARAPAHOE AND DOUGLAS COUNTIES, COLORADO**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended
December 31, 2018**

**Prepared by:
South Metro/Cunningham Fire Rescue Authority Finance Division**

SOUTH METRO/CUNNINGHAM FIRE RESCUE AUTHORITY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018
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SOUTH METRO/CUNNINGHAM FIRE RESCUE AUTHORITY



June 24, 2019

Citizens of South Metro/Cunningham Fire Rescue Authority and Members of the Board:

State law requires that all special districts with revenue in excess of \$750,000 file an annual report with the State Auditor within seven months of the close of their fiscal year. This annual report includes a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of South Metro/Cunningham Fire Rescue Authority for the fiscal year ended December 31, 2018.

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

South Metro/Cunningham Fire Rescue Authority's financial statements have been audited by Watson Coon Ryan, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of South Metro/Cunningham Fire Rescue Authority for the fiscal year ended December 31, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that South Metro/Cunningham Fire Rescue Authority's financial statements for the fiscal year ended December 31, 2018, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the government

South Metro/Cunningham Fire Rescue Authority (the Authority) was legally established on November 16, 2017. The Authority is governed, pursuant to provisions of the Colorado Special District Act, by a nine-member Boards of Directors. The Authority's Fire Chief has all powers and authorities provided for a fire chief under §32-1- 1002, C.R.S., and oversees and manages all business and affairs of the Authority, including the operation, maintenance, management, administration, and provision of all facilities, improvements, equipment, services and personnel. The Authority's service areas are located in Douglas and Arapahoe Counties, Colorado. The Authority was established to provide fire protection and paramedic rescue services.

On November 16, 2017, South Metro Fire Rescue Fire Protection District (SMFR) and Cunningham Fire Protection District (CFPD) agreed to integrate all aspects of their operations, administration, and services through the formation of a separate legal entity called South Metro/Cunningham Fire Rescue Authority.

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

Local economy

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

There is commercial development throughout the Authority and the Authority includes several residential developments with some areas of rural residential development. The Authority includes a mixture of single family homes, apartments, townhomes, and assisted living facilities within the Authority. The Authority currently serves approximately 311,000 residents in Douglas and Arapahoe Counties. Approximately 45% of the Authority's population is in Douglas County with 55% in Arapahoe County.

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

The Authority is currently operating in a booming economy, with unemployment rates below average and new housing being built within the Authority boundaries.

The unemployment rate in Douglas County was 3.4% and for Arapahoe County was 3.8%. This compares to 3.8% for the State of Colorado and 3.9% for the US. The growth in assessed valuation over the last 5 years for the Authority has averaged 8.5%. The increase for the 2019 budget year shows an increase of 4.7%.

According to the most recent data, the per capita income for Douglas County was \$71,208 and for Arapahoe County was \$56,642. This is higher than the State of Colorado average of \$54,646 and the US average of \$51,722. The education level of the population in the area covered by the Authority is higher than the state and the national average.

Long-term financial planning and initiatives

The Unassigned fund balance in the general fund at year end was 39.5% of total general fund expenditures. This is 14.5% more than the Authority's minimum required balance.

The Authority expects that additional fire stations will be required to provide the desired service to the citizens at total build-out of the Authority. Land has been purchased or identified for those stations yet to be built. Each year the Authority updates its 10-year financial plan, which includes capital replacement and new construction. This is done as part of the budget process. Construction is very robust within the Authority at this time. Coverage will be monitored to determine when new stations need to be constructed.

Relevant financial policies

The Authority has adopted a comprehensive set of financial policies. The Authority requires a fund balance in the General Fund at the end of the year that is equal to or greater than 25% of expenditures. Transfers from the General Fund to the Capital Projects Fund along with other financing options are being considered for the purpose of funding future capital projects.

Awards and Acknowledgements

The Authority received the GFOA's Distinguished Budget Presentation Award for its 2018 Budget. In order to qualify for the Distinguished Budget Presentation Award, the Authority's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for the comprehensive annual financial report for the fiscal year ended December 31, 2017. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Bob Baker
Fire Chief



Dillon Miskimins
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

South Metro Fire Rescue Authority
Colorado

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

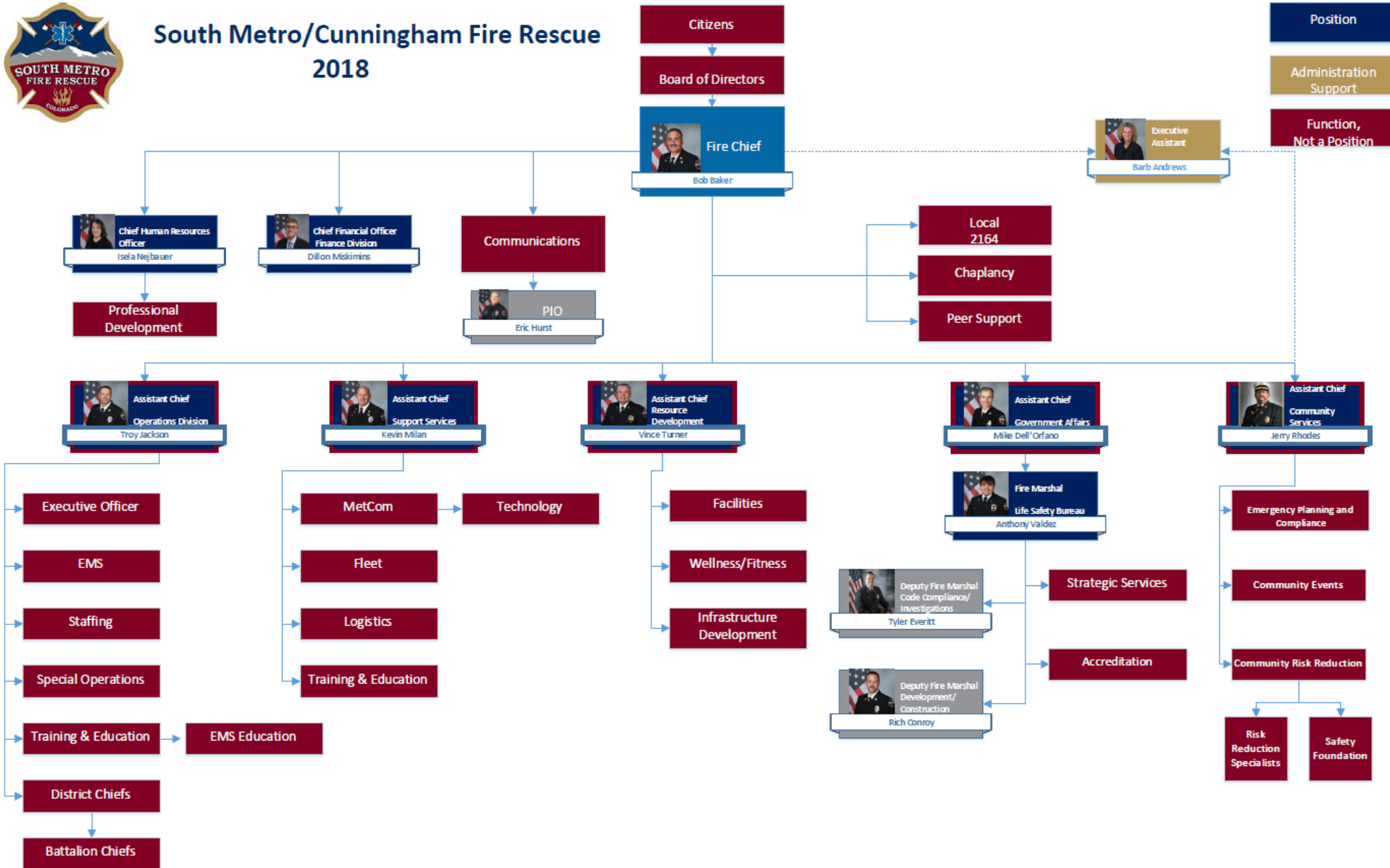
December 31, 2017

Christopher P. Morill

Executive Director/CEO



South Metro/Cunningham Fire Rescue 2018



GOVERNANCE

Appointed Officials, Board of Directors

Laura Simon, Chair

David Jackson, Vice Chair

Rich Sokol, Treasurer

Mark Lampert, Secretary

Ronda Scholting, Parliamentarian

Hank Eng, Director

Danny Gaddy, Director

William Shriver, Director

Patricia Shaver, Director

Executive Team

Bob Baker, Fire Chief

Mike Dell'Orfano, Assistant Chief of Government Affairs

Troy Jackson, Assistant Chief of Operations

Kevin Milan, Assistant Chief of Support Services

Vince Turner, Assistant Chief of Resource Development

Jerry Rhodes, Assistant Chief of Community Services

Dillon Miskimins, Chief Financial Officer

Isela Nejbauer, Chief Human Resource Officer

Kristin Eckmann, Communications Director

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the South Metro Fire Rescue Fire Protection District (District), Colorado, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of December 31, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the fiduciary funds of the District, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Special Revenue Funds, for the

year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

Watson Coon Ryan, LLC

GREENWOOD VILLAGE, COLORADO
JUNE 30, 2019

South Metro/Cunningham Fire Rescue Authority Management's Discussion and Analysis

As management of South Metro/Cunningham Fire Rescue Authority (the Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal years ending December 31, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 - 4 of this report.

Financial Highlights

- The assets of South Metro/Cunningham Fire Rescue exceeded its liabilities at the close of the most recent fiscal year by \$105,041,225. Of this amount \$34,395,578 may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$13,403,575. The increase is primarily related to the 2018 merge with Cunningham Fire Protection District. After the merge, Cunningham's net position was combined with South Metro.
- As of the close of the current fiscal year, the Authority's governmental funds reported combined ending fund balances of \$37,864,895.
- At the end of the current fiscal year, unassigned fund balance for the general fund is \$33,822,836 or 39.5% of total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to South Metro/Cunningham Fire Rescue Authority's basic financial statements. The Authority's basic financial statements are comprised of three components:

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

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

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

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

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

Both of the government-wide financial statements distinguish functions of the Authority that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Authority include Field operations, Preparedness, Fleet services, Support services, Fire Marshal, and MetCom/Technical. The business-type activities of the Authority includes the Building Rental Fund.

The government-wide financial statements can be found on pages 20 - 21 of this report.

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

- governmental funds
- proprietary funds
- fiduciary funds

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

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

The Authority maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, capital projects fund, and three special revenue funds: SMFR (South Metro Fire Rescue) fund, CFPD

(Cunningham Fire Protection District) fund and the Cherry Hills Pension fund which are all considered to be major funds.

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

The basic governmental fund financial statements can be found on pages 22 - 24 of this report.

Proprietary Funds. The Authority maintained one proprietary fund in 2018. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Authority uses an enterprise fund to account for the building rental fund and capture rental income, common area maintenance costs and items that relate to the maintenance of the administrative building.

The proprietary fund financial statements provide separate information for the building rental fund, which is considered to be a major fund of the Authority.

The basic proprietary fund financial statements can be found on pages 29 - 30 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Authority's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Authority uses a fiduciary fund to account for the Jefferson Arapahoe Communications Center (JACC) Fund and the Medical Self Insurance Fund.

The basic fiduciary fund financial statements can be found on pages 32 - 33 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 34-65 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required and non-required supplementary information concerning the South Metro/Cunningham Fire Rescue Authority's financial and operational activity. This supplementary information and individual fund statements and schedules can be found on page 67-86 of this report.

Government-Wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of the government’s financial position. In the case of South Metro/Cunningham Fire Rescue Authority, assets exceeded liabilities by \$105,041,225 at the close of the most recent fiscal year.

A portion of the Authority’s net position reflects its investment in capital assets (i.e., land, buildings, vehicles, and equipment); less any related debt used to acquire those assets that is still outstanding. The Authority uses these capital assets to provide 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 that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**South Metro/Cunningham Fire Rescue Authority
Statement of Net Position**

	Governmental Activities 2018	Business-Type Activities 2018	Total 2018	Governmental Activities 2017	Business-Type Activities 2017	Total 2017
Current and other assets	\$ 141,269,457	\$ 2,311,436	\$ 143,580,893	\$ 107,680,217	\$ 2,720,469	\$ 110,400,686
Capital assets	63,425,921	6,303,231	69,729,152	49,544,940	5,623,230	55,168,170
Total assets	<u>204,695,378</u>	<u>8,614,667</u>	<u>213,310,045</u>	<u>157,225,157</u>	<u>8,343,699</u>	<u>165,568,856</u>
Total deferred outflows of resources	2,160,860	—	2,160,860	402,298	—	402,298
Short-term liabilities outstanding	6,366,897	37,813	6,404,710	6,914,985	47,220	6,962,205
Other liabilities	5,871,268	—	5,871,268	6,355,671	—	6,355,671
Total liabilities	<u>12,238,165</u>	<u>37,813</u>	<u>12,275,978</u>	<u>13,270,656</u>	<u>47,220</u>	<u>13,317,876</u>
Total deferred inflows of resources	98,153,702	—	98,153,702	61,015,628	—	61,015,628
Net position:						
Net investments in capital assets	63,425,921	6,303,231	69,729,152	49,544,941	5,623,230	55,168,171
Restricted	1,216,495	—	1,216,495	2,406,487	—	2,406,487
Unrestricted	31,821,955	2,273,623	34,095,578	31,389,743	2,673,249	34,062,992
Total net position	<u>\$ 96,464,371</u>	<u>\$ 8,576,854</u>	<u>\$ 105,041,225</u>	<u>\$ 83,341,171</u>	<u>\$ 8,296,479</u>	<u>\$ 91,637,650</u>

At the end of the current fiscal year, the Authority is able to report a positive balance in all categories of net position, both for the government as a whole as well as for its business-type activities. Net investments in capital assets increased \$14,560,982 net of related debt. The increase is partly due to the merge with Cunningham Fire Protection District, which resulted in a transfer of assets to the Authority.

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer’s Bill of Rights (TABOR) contains the requirement of setting an emergency reserve. This reserve cannot be accessed except for during an unexpected disaster. This reserve amounts to \$358,245 as of December 31, 2018.

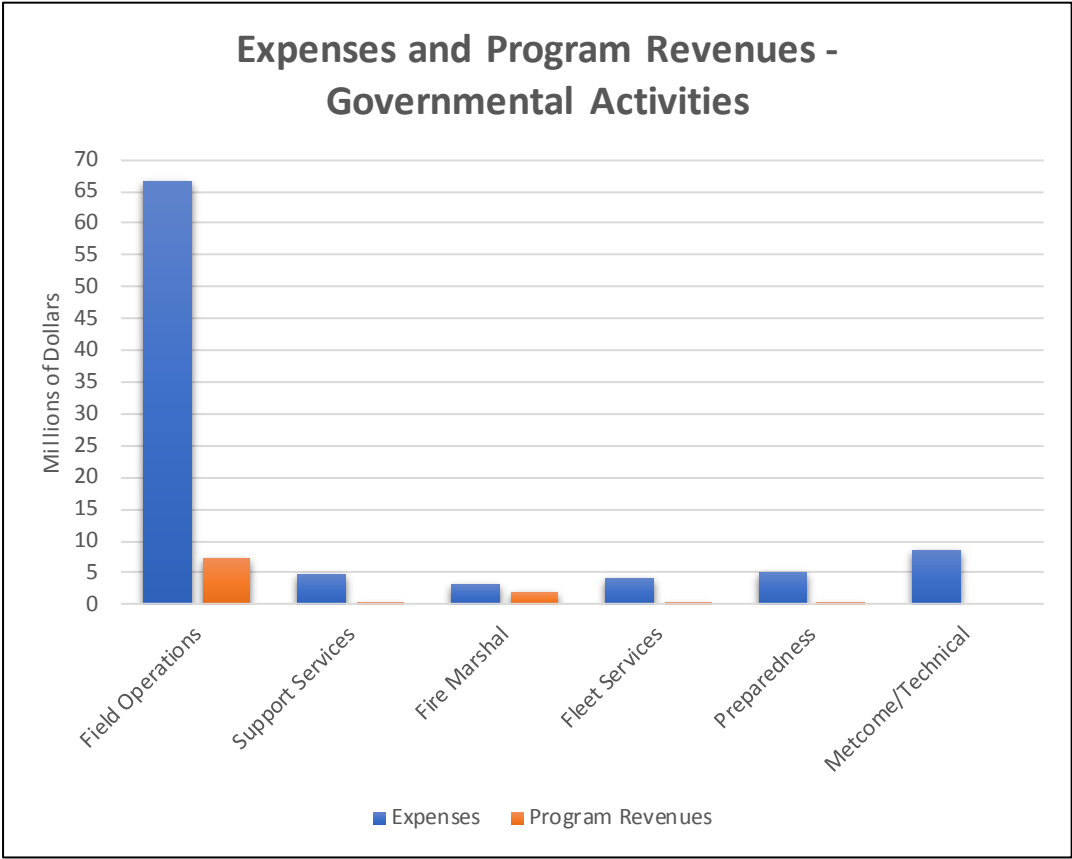
The Authority’s net position increased by \$13,403,575 during the current fiscal year, primarily as a result of the Cunningham Fire Protection District merger.

Governmental Activities. Governmental activities decreased South Metro/Cunningham Fire Rescue Authority’s net position by \$808,124. Key elements of this decrease are as follows:

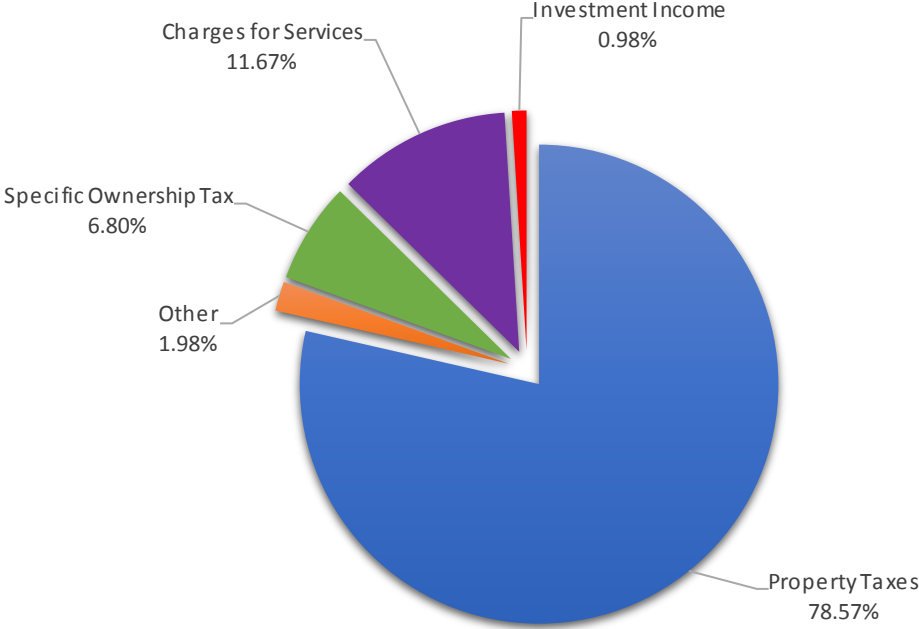
- Overall both expenses and revenues increased when compared to 2017. This is in part due to the merger with Cunningham Fire Protection District.
- The Authority has continued to work towards the goal of having four person staffing on all the apparatus during 2018. This increased staffing levels and increased expenses related to salaries, benefits and academy programs as related to Field Operations.
- The Authority hosted one academy in 2018 resulting in 24 firefighters being hired to fill staffing needs.

South Metro/Cunningham Fire Rescue Authority
Changes in Net Position

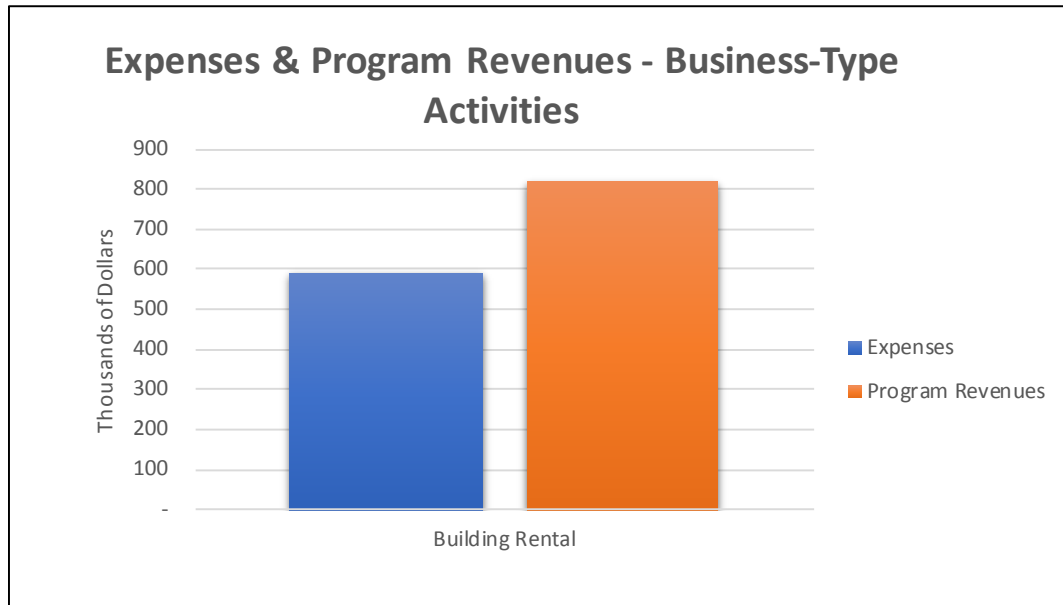
	Governmental Activities 2018	Business-Type Activities 2018	Total 2018	Governmental Activities 2017	Business-Type Activities 2017	Total 2017
Revenues:						
Program revenues:						
Charges for services	\$ 10,663,213	\$ 820,434	\$ 11,483,647	\$ 3,873,886	\$ 5,863,971	\$ 9,737,857
General revenues:						
Property and other taxes	77,984,371	—	77,984,371	59,333,836	—	59,333,836
Other income	2,706,851	49,845	2,756,696	7,890,392	(7,066,165)	824,227
Total revenues	<u>91,354,435</u>	<u>870,279</u>	<u>92,224,714</u>	<u>71,098,114</u>	<u>(1,202,194)</u>	<u>69,895,920</u>
Expenses:						
Field operations	66,461,430	—	66,461,430	47,931,085	—	47,931,085
Preparedness	4,948,552	—	4,948,552	4,916,478	—	4,916,478
Support services	4,801,175	—	4,801,175	8,892,556	—	8,892,556
Fire Marshal	3,182,917	—	3,182,917	2,862,739	—	2,862,739
Fleet services	4,204,713	—	4,204,713	(17,610)	—	(17,610)
Metcom/Technical Services	8,563,772	—	8,563,772	5,228,438	—	5,228,438
Rental building	—	589,904	589,904	—	858,801	858,801
Ambulance	—	—	—	—	3,125,249	3,125,249
Total expenses	<u>92,162,559</u>	<u>589,904</u>	<u>92,752,463</u>	<u>69,813,686</u>	<u>3,984,050</u>	<u>73,797,736</u>
Increase (decrease) in net position	(808,124)	280,375	(527,749)	1,284,428	(5,186,244)	(3,901,816)
Net position-beginning, restated	<u>97,272,495</u>	<u>8,296,479</u>	<u>105,568,974</u>	<u>82,056,743</u>	<u>13,482,723</u>	<u>95,539,466</u>
Net position-ending	<u>\$ 96,464,371</u>	<u>\$ 8,576,854</u>	<u>\$ 105,041,225</u>	<u>\$ 83,341,171</u>	<u>\$ 8,296,479</u>	<u>\$ 91,637,650</u>



Revenues by Sources - Governmental Activities



Business-Type Activities. Business-type activities increased the Authority’s net position by \$280,375, which was all related to the building rental fund net income.



Financial Analysis of the Government’s Funds

As noted earlier, 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, unreserved fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Authority’s governmental funds reported combined fund balances of \$37,864,895 a decrease of \$8,896,754 from the beginning of the year. The decrease is due to a large increase in capital expenditures in 2018. A large portion of the Authority’s fund balance constitutes unassigned fund balance, which is available for spending at the government’s discretion. The TABOR emergency reserve of \$358,245 is legally restricted. The non-spendable inventory and prepaid items along with the amount restricted for pension payments in the Cherry Hills Pension Fund are also not available for spending by the Authority.

The general fund is the principle operating fund of the Authority. At the end of the current fiscal year, unassigned fund balance of the general fund was \$33,822,836, while total fund balance was \$37,006,645. As a measure of the general fund’s liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 39.5% of total general fund expenditures, while total fund balance represents 43.2% of the same amount.

The fund balance of the Authority’s general fund decreased by \$8,942,899 during the current fiscal year. The key factor in this decrease is increased capital expenditures, including construction of Station 32 and purchase of SCBA equipment.

Proprietary Funds. The Authority’s proprietary funds provide details of the activity of the Building Rental Fund.

The building rental fund has a positive unrestricted net position balance of \$2,273,623, which decreased by \$399,626 from prior year primarily due to capital assets expenditures.

General Fund Budgetary Highlights

There was a budget amendment in 2018 to account for a transfer to the Capital Projects Fund. Funds are transferred from the General Fund to the Capital Projects Fund as needed instead of pre-funding capital projects.

Capital Asset and Debt Administration

Capital Assets. The Authority’s investment in capital assets for its governmental and business type activities as of December 31, 2018 amounts to \$69,729,152 (net of accumulated depreciation). This investment in capital assets includes land, buildings, vehicles, and equipment. The major additions to the fixed assets in 2018 are assets added from the Cunningham Fire Protection District merge as well as the purchase of apparatus and vehicles, SCBA and other equipment and the construction of Station 32.

South Metro/Cunningham Fire Rescue Authority's Capital Assets (Net of Depreciation)						
	Governmental Activities	Business Type Activities	Total	Governmental Activities	Business Type Activities	Total
	2018	2018	2018	2017	2017	2017
Land	\$ 5,689,336	\$ 2,598,566	\$ 8,287,902	\$ 5,131,453	\$ 2,598,566	\$ 7,730,019
Buildings	36,293,242	3,704,665	39,997,907	25,268,375	3,024,664	28,293,039
Vehicles	12,949,213	—	12,949,213	11,798,322	—	11,798,322
Equipment	7,176,066	—	7,176,066	3,512,104	—	3,512,104
Construction in Progress	1,318,064	—	1,318,064	3,834,686	—	3,834,686
Total	\$ 63,425,921	\$ 6,303,231	\$ 69,729,152	\$ 49,544,940	\$ 5,623,230	\$ 55,168,170

Additional information on the Authority’s capital assets can be found in the notes sections on page 46 of this report.

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

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

Additional information on the Authority’s long-term obligations can be found in note 8 and 9 on page 48 in the notes section of this report.

**South Metro/Cunningham Fire Rescue Authority
Long Term Liabilities**

	Governmental Activities	Business Type Activities	Total	Governmental Activities	Business Type Activities	Total
	2018	2018	2018	2017	2017	2017
Compensated absences	\$ 5,338,299	\$ —	\$ 5,338,299	\$ 4,227,827	\$ —	\$ 4,227,827
Net pension liability	1,066,799	—	1,066,799	2,550,627	—	2,550,627
	<u>\$ 6,405,098</u>	<u>\$ —</u>	<u>\$ 6,405,098</u>	<u>\$ 6,778,454</u>	<u>\$ —</u>	<u>\$ 6,778,454</u>

Economic Factors and Next Year’s Budgets

Construction continues to add to the assessed value of the Authority. The growth of the Authority also requires expanding coverage and resident needs for fire rescue services. Auto sales continue to increase in 2018 which results in higher specific ownership tax collections.

A merge between South Metro/Cunningham Fire Rescue Authority and Littleton Fire Protection District, Highlands Ranch Metro District (fire and emergency services only) and the City of Littleton (fire and emergency services only) occurred on January 1, 2019. This merge will result in expanded services available to residents and citizens served within the new boundaries of the Authority.

Request for Information

This financial report is designed to provide a general overview of South Metro/Cunningham Fire Rescue Authority’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Chief Financial Officer, South Metro/Cunningham Fire Rescue Authority, 9195 E. Mineral Avenue, Centennial, CO 80112.

BASIC FINANCIAL STATEMENTS

SOUTH METRO/CUNNINGHAM FIRE RESCUE AUTHORITY
STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2018

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 35,957,492	\$ 2,301,159	\$ 38,258,651
Cash and investments - restricted	1,129,151	—	1,129,151
Receivables (net of allowance for uncollectable)	3,320,095	—	3,320,095
Interest receivable	133,755	—	133,755
Due from Self Insured Medical Fund	329,903	—	329,903
Receivable - County Treasurer	97,531,612	—	97,531,612
Prepaid expense	1,734,303	10,277	1,744,580
Inventories	1,133,146	—	1,133,146
Capital assets, not being depreciated:			
Land	5,689,336	2,598,566	8,287,902
Construction in progress	1,318,064	—	1,318,064
Capital assets (net of accumulated depreciation):			
Building	36,293,242	3,704,665	39,997,907
Vehicles	12,949,213	—	12,949,213
Equipment	7,176,066	—	7,176,066
Total capital assets	63,425,921	6,303,231	69,729,152
Total assets	204,695,378	8,614,667	213,310,045
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	2,160,860	—	2,160,860
Total deferred outflows of resources	2,160,860	—	2,160,860
LIABILITIES			
Accounts and wages payables	5,833,067	37,813	5,870,880
Compensated absences - current	533,830	—	533,830
Net pension liability	1,066,799	—	1,066,799
Compensated absences	4,804,469	—	4,804,469
Total liabilities	12,238,165	37,813	12,275,978
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax revenue	97,531,612	—	97,531,612
Deferred revenue	39,883	—	39,883
Deferred inflows related to pensions	582,207	—	582,207
Total deferred inflows of resources	98,153,702	—	98,153,702
NET POSITION			
Net investment in capital assets	63,425,921	6,303,231	69,729,152
Restricted:			
Emergency reserve (TABOR)	358,245	—	358,245
Pension funds	558,250	—	558,250
Special revenue fund operations	300,000	—	300,000
Unrestricted	31,821,955	2,273,623	34,095,578
Total net position	96,464,371	8,576,854	105,041,225

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

**SOUTH METRO/CUNNINGHAM FIRE RESCUE AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Program Revenues</u>		<u>Net (Expenses) Revenue & Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
FUNCTIONS/PROGRAMS					
Governmental activities					
Field operations	\$ (66,461,430)	\$ 7,264,272	\$ (59,197,158)	\$ —	\$ (59,197,158)
Preparedness	(4,948,552)	287,876	(4,660,676)	—	(4,660,676)
Fleet services	(4,204,713)	57,544	(4,147,169)	—	(4,147,169)
Support services	(4,801,175)	151,090	(4,650,085)	—	(4,650,085)
Fire Marshal	(3,182,917)	1,680,971	(1,501,946)	—	(1,501,946)
Metcom/Technical Services	(8,563,772)	1,221,460	(7,342,312)	—	(7,342,312)
Total governmental activities	<u>(92,162,559)</u>	<u>10,663,213</u>	<u>(81,499,346)</u>	<u>—</u>	<u>(81,499,346)</u>
Business-type activities:					
Building rental	(589,904)	820,434	—	230,530	230,530
Total business-type activities	<u>(589,904)</u>	<u>820,434</u>	<u>—</u>	<u>230,530</u>	<u>230,530</u>
Total government	<u>\$ (92,752,463)</u>	<u>\$ 11,483,647</u>	<u>(81,499,346)</u>	<u>230,530</u>	<u>(81,268,816)</u>
General revenues					
Property taxes			71,775,702	—	71,775,702
Specific ownership tax			6,208,669	—	6,208,669
Investment earnings			897,067	49,845	946,912
Miscellaneous income			417,764	—	417,764
Gain on sale of assets			1,392,020	—	1,392,020
Total general revenues			<u>80,691,222</u>	<u>49,845</u>	<u>80,741,067</u>
Change in net position			(808,124)	280,375	(527,749)
Net position -beginning, restated			<u>97,272,495</u>	<u>8,296,479</u>	<u>105,568,974</u>
Net position - ending			<u>\$ 96,464,371</u>	<u>\$ 8,576,854</u>	<u>\$ 105,041,225</u>

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

SOUTH METRO/CUNNINGHAM FIRE RESCUE AUTHORITY
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2018

	Special Revenue Funds					Total Governmental Funds	
	General Fund	Capital Projects Fund	SMFR Fund	CFPD Fund	Cherry Hills Pension Fund		
ASSETS							
Cash and investments	\$ 35,006,946	\$ 650,546	\$ 150,000	\$ 150,000	\$ —	\$ 35,957,492	
Cash and investments - restricted	358,245	—	—	—	770,906	1,129,151	
Accounts receivable, net	3,318,623	18	—	—	1,454	3,320,095	
Interest receivable	133,755	—	—	—	—	133,755	
Due from Self Insured Medical Fund	329,903	—	—	—	—	329,903	
Property taxes receivable	—	—	85,994,741	11,290,468	246,403	97,531,612	
Prepaid items	1,692,418	41,885	—	—	—	1,734,303	
Inventory	1,133,146	—	—	—	—	1,133,146	
Total assets	\$ 41,973,036	\$ 692,449	\$ 86,144,741	\$ 11,440,468	\$ 1,018,763	\$ 141,269,457	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts payable and accrued liabilities	\$ 1,187,823	\$ 692,449	\$ —	\$ —	\$ 214,110	\$ 2,094,382	
Accrued wages	3,738,685	—	—	—	—	3,738,685	
Total liabilities	4,926,508	692,449	—	—	214,110	5,833,067	
DEFERRED INFLOWS OF RESOURCES							
Deferred revenue	39,883	—	—	—	—	39,883	
Unavailable property tax revenue	—	—	85,994,741	11,290,468	246,403	97,531,612	
Total deferred inflows of resources	39,883	—	85,994,741	11,290,468	246,403	97,571,495	
FUND BALANCES							
Non-spendable:							
Inventory	1,133,146	—	—	—	—	1,133,146	
Prepaid items	1,692,418	41,885	—	—	—	1,734,303	
Restricted:							
Emergency reserve	358,245	—	—	—	—	358,245	
Pension funds	—	—	—	—	558,250	558,250	
Special revenue fund operations	—	—	150,000	150,000	—	300,000	
Unassigned:							
Total fund balance	33,822,836	(41,885)	—	—	—	33,780,951	
Total fund balance	37,006,645	—	150,000	150,000	558,250	37,864,895	
Total liabilities, deferred inflows and fund balances	\$ 41,973,036	\$ 692,449	\$ 86,144,741	\$ 11,440,468	\$ 1,018,763		
Amounts reported for governmental activities in the statement of net position are different because:							
Capital assets used in governmental activities are not financial resources, and therefore are not reported in the funds							63,425,921
Long term liabilities, including compensated absences are not due and payable in the current period and therefore are not reported in these funds							(5,338,299)
Pension related actuarial assumptions, differences between actual and expected experience and investment earnings							511,854
Net position of governmental activities							\$ 96,464,371

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

SOUTH METRO/CUNNINGHAM FIRE RESCUE AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2018

	General Fund	Capital Projects Fund	Special Revenue Funds			Totals
			SMFR Fund	CFPD Fund	Cherry Hills Pension Fund	
REVENUES						
Property taxes	\$ —	\$ —	\$ 60,390,296	\$ 11,140,986	\$ 244,420	\$ 71,775,702
Specific ownership taxes	—	—	5,378,253	812,581	17,835	6,208,669
Net investment earnings	860,528	21,747	—	—	14,792	897,067
Charges for service - transports	6,089,477	—	—	—	—	6,089,477
Charges for service - plan review fees	1,637,111	—	—	—	—	1,637,111
Dispatch fees	1,035,219	—	—	—	—	1,035,219
Deployment reimbursements	1,082,535	—	—	—	—	1,082,535
Rental income	151,091	—	—	—	—	151,091
Miscellaneous revenue	1,085,546	—	—	—	—	1,085,546
Total revenues	11,941,507	21,747	65,768,549	11,953,567	277,047	89,962,417
EXPENDITURES						
Public safety:						
Administration	8,445,908	—	905,936	167,116	3,671	9,522,631
Field operations	56,306,725	3,485,312	—	—	214,110	60,006,147
Preparedness	4,959,920	—	—	—	—	4,959,920
Fire Marshal	3,164,295	—	—	—	—	3,164,295
Metcom/Technical Service	8,099,594	219,742	—	—	—	8,319,336
Fleet maintenance	2,965,746	—	—	—	—	2,965,746
Buildings and grounds maintenance	1,774,050	—	—	—	—	1,774,050
Capital outlay	6,140	9,532,926	—	—	—	9,539,066
Total expenditures	85,722,378	13,237,980	905,936	167,116	217,781	100,251,191
Excess of Revenues Over (Under) Expenditures	(73,780,871)	(13,216,233)	64,862,613	11,786,451	59,266	(10,288,774)
OTHER FINANCING SOURCES (USES)						
Transfers to other funds	(12,445,688)	—	(64,712,613)	(11,636,451)	—	(88,794,752)
Transfers from other funds	75,891,640	12,903,112	—	—	—	88,794,752
Sale of capital assets	1,392,020	—	—	—	—	1,392,020
Total other financing sources (uses)	64,837,972	12,903,112	(64,712,613)	(11,636,451)	—	1,392,020
Net change in fund balances	(8,942,899)	(313,121)	150,000	150,000	59,266	(8,896,754)
Fund balances - beginning of year, restated	45,949,544	313,121	—	—	498,984	46,761,649
Fund balances - end of year	\$ 37,006,645	\$ —	\$ 150,000	\$ 150,000	\$ 558,250	\$ 37,864,895

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

**SOUTH METRO/CUNNINGHAM FIRE RESCUE AUTHORITY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018**

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

Net change in fund balances - Total Governmental Funds	\$	(8,896,754)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital asset additions (less removed assets)		12,780,343
Depreciation expense		(5,417,880)

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

Compensated absences - change in liability		(245,486)
Pension expense		971,653

Changes in net position of governmental activities	\$	(808,124)
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The accompanying notes are an integral part of the financial statements.

**SOUTH METRO/CUNNINGHAM FIRE RESCUE AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
GENERAL FUND
YEAR ENDED DECEMBER 31, 2018**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for service - transports	\$ 6,300,000	\$ 6,089,477	\$ 6,089,477	\$ —
Charges for service - plan review fees	1,830,267	1,637,111	1,637,111	—
Dispatch fees	1,033,952	1,035,219	1,035,219	—
Deployment reimbursements	400,000	1,082,535	1,082,535	—
Net investment earnings	400,000	860,528	860,528	—
Rental income	155,000	151,091	151,091	—
Miscellaneous revenue	826,650	1,085,546	1,085,546	—
Total revenues	<u>10,945,869</u>	<u>11,941,507</u>	<u>11,941,507</u>	<u>—</u>
EXPENDITURES				
Public safety				
Administration	7,917,838	8,445,908	8,445,908	—
Field operations	54,946,115	56,306,725	56,306,725	—
Preparedness	4,401,875	4,959,920	4,959,920	—
Fire Marshal	3,319,582	3,164,295	3,164,295	—
Metcom/Technical Service	8,616,456	8,099,594	8,099,594	—
Fleet maintenance	3,043,609	2,965,746	2,965,746	—
Buildings and grounds maintenance	1,650,106	1,774,050	1,774,050	—
Capital outlay	763,074	6,140	6,140	—
Total expenditures	<u>84,658,655</u>	<u>85,722,378</u>	<u>85,722,378</u>	<u>—</u>
Excess of revenues over (under) expenditures	<u>(73,712,786)</u>	<u>(73,780,871)</u>	<u>(73,780,871)</u>	<u>—</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	75,710,965	75,891,640	75,891,640	—
Transfers to other funds	—	(12,445,688)	(12,445,688)	—
Sale of capital assets	—	1,392,020	1,392,020	—
Total other financing sources (uses)	<u>75,710,965</u>	<u>64,837,972</u>	<u>64,837,972</u>	<u>—</u>
Net change in fund balances	1,998,179	(8,942,899)	(8,942,899)	—
Fund balances - beginning of year, restated	28,768,669	45,949,544	45,949,544	—
Fund balances - end of year	<u>\$ 30,766,848</u>	<u>\$ 37,006,645</u>	<u>\$ 37,006,645</u>	<u>\$ —</u>

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

**SOUTH METRO/CUNNINGHAM FIRE RESCUE AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SMFR - SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUE				
Property taxes	\$ 60,745,685	\$ 60,390,296	\$ 60,390,296	\$ —
Specific ownership taxes	5,000,000	5,378,253	5,378,253	—
Total revenue	<u>65,745,685</u>	<u>65,768,549</u>	<u>65,768,549</u>	<u>—</u>
EXPENDITURES				
Administration	911,185	905,936	905,936	—
Other	<u>10,000</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total expenditures	<u>921,185</u>	<u>905,936</u>	<u>905,936</u>	<u>—</u>
Excess of revenue over expenditures	64,824,500	64,862,613	64,862,613	—
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	<u>(64,674,500)</u>	<u>(64,712,613)</u>	<u>(64,712,613)</u>	<u>—</u>
Net change in fund balance	150,000	150,000	150,000	—
Fund balances - beginning of year	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balance - end of year	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ —</u>

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

**SOUTH METRO/CUNNINGHAM FIRE RESCUE AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CFPD - SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUE				
Property taxes	\$ 11,181,729	\$ 11,140,986	\$ 11,140,986	\$ —
Specific ownership taxes	625,000	812,581	812,581	—
Total revenue	<u>11,806,729</u>	<u>11,953,567</u>	<u>11,953,567</u>	<u>—</u>
EXPENDITURES				
Administration	<u>160,835</u>	<u>167,116</u>	<u>167,116</u>	<u>—</u>
Total expenditures	<u>160,835</u>	<u>167,116</u>	<u>167,116</u>	<u>—</u>
Excess of revenue over expenditures	11,645,894	11,786,451	11,786,451	—
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	<u>(11,495,894)</u>	<u>(11,636,451)</u>	<u>(11,636,451)</u>	<u>—</u>
Net change in fund balance	150,000	150,000	150,000	—
Fund balances - beginning of year	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balance - end of year	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ —</u>

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

**SOUTH METRO/CUNNINGHAM FIRE RESCUE AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CHERRY HILLS PENSION - SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2018**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUE			
Property taxes	\$ 245,427	\$ 244,420	\$ (1,007)
Specific ownership taxes	18,407	17,835	(572)
Net investment earnings	1,000	14,792	13,792
Total revenue	<u>264,834</u>	<u>277,047</u>	<u>12,213</u>
EXPENDITURES			
Administration	3,681	3,671	10
Contribution to pension plan	214,110	214,110	—
Other	2,209	—	2,209
Total expenditures	<u>220,000</u>	<u>217,781</u>	<u>2,219</u>
Excess of revenue over expenditures	44,834	59,266	14,432
Fund balances - beginning of year	<u>508,824</u>	<u>498,984</u>	<u>(9,840)</u>
Fund balance - end of year	<u>\$ 553,658</u>	<u>\$ 558,250</u>	<u>\$ 4,592</u>

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

**SOUTH METRO/CUNNINGHAM FIRE RESCUE AUTHORITY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2018**

	Building Rental Fund
ASSETS	
Current assets:	
Cash and investments	\$ 2,301,159
Prepaid items	10,277
Total current assets	2,311,436
Capital assets:	
Land	2,598,566
Buildings	12,154,537
Less accumulated depreciation	(8,449,872)
Total capital assets (net of accumulated depreciation)	6,303,231
Total assets	8,614,667
LIABILITIES	
Current liabilities:	
Accounts payable	37,813
Total current liabilities	37,813
NET POSITION	
Net investment in capital assets	6,303,231
Unrestricted	2,273,623
Total net position	\$ 8,576,854

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

**SOUTH METRO/CUNNINGHAM FIRE RESCUE AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Building Rental Fund
OPERATING REVENUES	
Charges for services	\$ 820,434
OPERATING EXPENSES	
Building and grounds maintenance	331,773
Depreciation	258,131
Total operating expenses	589,904
Operating income	230,530
NONOPERATING INCOME	
Investment income	49,845
Total nonoperating income	49,845
Change in net position	280,375
Total net position - beginning of year	8,296,479
Total net position - end of year	\$ 8,576,854

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

**SOUTH METRO/CUNNINGHAM FIRE RESCUE AUTHORITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Building Rental Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 820,434
Payments to suppliers	(351,457)
	468,977
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital purchases	(938,132)
Net cash (used) by capital and related financing activities	(938,132)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	49,845
Net cash (used) by investing activities	49,845
Net increase in cash and deposits	(419,310)
Cash and deposits, January 1	2,720,469
Cash and deposits, December 31	\$ 2,301,159
Reconciliation of operating income to net cash provided(used) by operating activities:	
Operating income	\$ 230,530
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	258,131
Increase (decrease) in:	
Prepays	(10,277)
Increase (decrease) in:	
Accounts payable	(9,407)
Total adjustments	238,447
Net cash provided by operating activities	\$ 468,977

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

**SOUTH METRO/CUNNINGHAM FIRE RESCUE AUTHORITY
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2018**

	Total Agency Funds	Total Pension Trust Funds
ASSETS		
Cash and cash equivalents	\$ 567,639	\$ —
Cash and investments held by trustee	—	1,411
Receivable	712,669	—
Total assets	\$ 1,280,308	\$ 1,411
LIABILITIES		
Payables	5,382	
Due to other governments	329,903	
Held for JACC	122,963	
Held for medical claims	822,060	
Total liabilities	\$ 1,280,308	
NET POSITION		
Restricted for pension benefits		\$ 1,411

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

**SOUTH METRO/CUNNINGHAM FIRE RESCUE AUTHORITY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Total Pension Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 4,400
Net investment income	66
Total additions	4,466
DEDUCTIONS	
Operating expenses:	
Benefits and refunds paid to plan members and beneficiaries	3,350
Administrative expenses	6,424
Total deductions	9,774
Changes in net position	(5,308)
Net position - beginning	6,719
Net position - ending	\$ 1,411

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

SOUTH METRO/CUNNINGHAM FIRE RESCUE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 - DEFINITION OF REPORTING ENTITY

South Metro/Cunningham Fire Rescue Authority was legally established on November 16, 2017 by the Creation and Pre-Unification Agreement, whereby South Metro Fire Rescue Fire Protection District and Cunningham Fire Protection District (CFPD) agreed to integrate all aspects of their operations, administration, and services through the formation of a separate legal entity pursuant to §29-1-203(4), C.R.S. Prior to the Authority, South Metro Fire Rescue Fire Protection District was created on April 24, 2008, by the Creation and Pre-Inclusion Agreement, as amended, whereby Parker Fire Protection District and South Metro Fire Rescue agreed to unify all operations.

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-wide and Fund Financial Statements

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

distinguish between governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, and which rely to a significant extent on fees and charges for support.

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

The Authority reports the following major governmental funds:

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

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

Special Revenue Funds:

- The SMFR Special Revenue Fund is used to account for the proceeds of property taxes and specific ownership taxes which are then transferred to the General Fund, net of treasurer's fees.
- The CFPD Special Revenue Fund is used to account for the proceeds of property taxes and specific ownership taxes which are then transferred to the General Fund, net of treasurer's fees.
- The Cherry Hills Pension Fund is used to collect the property tax receipts from the former Cherry Hills Fire Protection District in order to fund the Cherry Hills Old Hire Pension. As part of the inclusion of the Cherry Hills Fire Protection District into South Metro Fire Rescue, the Authority was allowed to assess a pension mill levy to provide for the pensions of the employees of the Cherry Hills Fire Protection District who had already retired and belonged to this defined benefit pension plan. This mill levy can only be used for contributions to that pension plan. The mill levy will be decreased as the contributions to the plan decrease. Any funds left in the agency fund after all pensioners and beneficiaries have deceased will be returned to the tax payers in the former Cherry Hills Fire Protection District boundaries.

The Authority reports the following major proprietary funds:

Enterprise Funds:

- The Building Rental Fund provides for the maintenance of the administration headquarters which is also rented or leased to outside governments on both the state and federal level.

The Authority reports the following fiduciary fund types:

Pension Trust Fund:

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

Agency Funds:

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

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

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

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

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

Budgets

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

The Authority amended its annual budget in the General Fund, Capital Fund, SMFR Special Revenue Fund, CFPD Special Revenue Fund, Building Rental Fund, and JACC Agency Fund for the year ended December 31, 2018. The amendments were a result of the merge with Cunningham Fire Protection District, the creation of the Authority, and the unknown results related to the activities.

Pooled Cash and Investments

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

Investments are carried at fair value.

Cash Equivalents

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

Capital Assets

Capital assets, which include property, equipment and infrastructure assets are reported in the applicable governmental or business type activities columns in the government-wide financial statements. Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of three years or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art or similar items, and capital assets received in a service concession arrangement are recorded at acquisition value at the date of donation.

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

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

Compensated Absences

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

Property Taxes

Property taxes are levied by the Authority's Boards of Directors. The levy is based on assessed valuations determined by the County Assessors generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurers collect the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayers' election, in February and June. Delinquent taxpayers are notified in

August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurers remit the taxes collected monthly to the Authority.

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

Accounts Receivable, Allowance for Uncollectable Accounts

All trade accounts receivables are shown net of an allowance for uncollectible accounts. In the General Fund, a portion of the ambulance transport related trade accounts receivable balance comprises the allowance for uncollectable accounts. Analysis is performed annually to determine this amount deemed uncollectible.

Inventories

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

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items are recorded as expenditures/expenses when consumed rather than when purchased. The Authority considers items to be prepayments when payment is made for services and/or goods delivered in future periods and the amount of the payment is more than \$5,000.

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will *not* be recognized as an inflow of resources (revenue) until that time. The Authority has two items that

qualify for reporting in this category. The deferred revenue is fees that have been collected for classes to be held in the following year. The item, deferred revenue, is reported only in the governmental funds balance sheet. The governmental funds report deferred revenue from property taxes. These amounts are deferred and recognized as an inflow of resources in the period the amounts are received by the Authority.

Fund Equity

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

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

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

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

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

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

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

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2018 are classified in the accompanying financial statements as follow:

Statement of net position:

Cash and investments	\$ 38,258,651
Cash and investments - restricted	<u>1,129,151</u>
Total cash and investments	\$ 39,387,802

Cash and investments as of December 31, 2018 consist of the following:

Deposits with financial institutions	\$ 4,603,032
Investments	<u>34,784,770</u>
Total cash and investments	\$ 39,387,802

Deposits with Financial Institutions

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

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

As of December 31, 2018, all of the Authority's deposits were either insured by the Federal Deposit Insurance Corporation or held in eligible public depositories as required by PDPA.

Investments

Colorado Revised Statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. The allowed investments include local government investment pools.

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

- Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- General obligation and revenue bonds of U.S. local governmental entities
- Certain certificates of participation
- Certain securities lending agreements
- Bankers' acceptances of certain banks

- Commercial paper
- Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

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

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments not measured at fair value and not categorized include governmental money market funds (Chandler and PFM); money market funds (generally held by Bank Trust Departments in their role as paying agent or trustee). Level 2 investment values are derived from associated traded securities as reported by the Authority's asset management firms. Equity and equity derivative securities classified in Level 2 are securities whose values are derived daily from associated traded securities. Fixed income securities and derivatives within all asset classes that are classified in Level 2 are valued using either a bid evaluation, matrix pricing or various relational pricing model techniques. Level 2 fixed income securities have non-proprietary information that was readily available to market participants, from multiple independent sources, which are known to be actively involved in the market.

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

The Authority does not have recurring fair value measurements as of December 31, 2018, that are valued using quoted prices in active markets for identical assets (Level 1) or significant unobservable inputs (Level 3).

<u>Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Amortized Costs</u>	<u>Net Asset Value (NAV)</u>	<u>Total</u>
Colotrust	—	—	—	—	5,511,941	5,511,941
Chandler	—	12,443,469	—	1,128,402	—	13,571,871
PFM	—	15,644,318	—	56,640	—	15,700,958
Total	—	28,087,787	—	1,185,042	5,511,941	34,784,770

As of December 31, 2018, the Authority had the following investments in a Chandler Asset Management externally managed investment portfolio. This portfolio is managed by the investment manager at their discretion. Modified duration is shown in years.

<u>Investment</u>	<u>Fair Value</u>	<u>Modified Duration</u>	<u>S&P/Moody's Rating</u>
US Treasuries	\$ 4,735,268	1.96	
US Agencies	6,072,123	1.34	
Supranational Bonds	272,293	2.40	AAA/Aaa
Corporate Bonds	1,363,785	1.11	AA+/Aa1
Total Fair Value	<u>\$ 12,443,469</u>	1.44	AA+/Aaa

As of December 31, 2018, the Authority had the following investments in a third managed portfolio managed by PFM Asset Management LLC externally. Modified duration is shown in years.

<u>Investment</u>	<u>Fair Value</u>	<u>Modified Duration</u>	<u>S&P/Moody's Rating</u>
US Treasuries	\$ 8,002,638	2.08	
US Agencies	2,316,687	2.25	
Municipal Bonds	880,018	2.1	AAA/Aa1
Certificates of Deposit	1,507,688	2.42	AA-/Aa2
Supranational Bonds	2,017,088	1.91	AAA/Aaa
Corporate Notes	672,466	1.92	AAA/Aaa
Bank Note	247,733	2.11	A+/Aa2
Total Fair Value	<u>\$ 15,644,318</u>	2.11	AA+/NR

Local Government Investment Pools – As of December 31, 2018, the Authority had funds invested in local government investment pools which are rated AAA.

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

- The money market fund of the PFM managed account is the Colorado Statewide Investment Program (CSIP) and is rated AAAM. As an investment pool these firms operate under the Colorado Revised Statutes (24-75-701) and are overseen by the Colorado Securities Commissioner. They invest in securities that are specified by the Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). They operate similar to a money market fund with a share value equal to \$1.00.

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

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

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

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

NOTE 4 - RECEIVABLES

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

	General Fund	Capital Projects	SMFR Special Revenue Fund	CFPD Special Revenue Fund	Cherry Hills Special Revenue Fund	Total Governmental Funds
Accounts	\$ 3,318,623	\$ 18	\$ —	\$ —	\$ 1,454	\$ 3,320,095
Taxes	—	—	85,994,741	11,290,468	246,403	97,531,612
Interest	133,755	—	—	—	—	133,755
Gross Receivables	3,452,378	18	85,994,741	11,290,468	247,857	100,985,462
Less: Allowance for uncollectibles	—	—	—	—	—	—
Net Total Receivables	\$ 3,452,378	\$ 18	\$ 85,994,741	\$ 11,290,468	\$ 247,857	\$ 100,985,462

	Building Rental Fund	Total Proprietary Funds	Total All Funds
Accounts	\$ —	\$ —	\$ 3,320,095
Taxes	—	—	97,531,612
Interest	—	—	133,755
Gross Receivables	—	—	100,985,462
Less: Allowance for uncollectibles	—	—	—
Net Total Receivables	\$ —	\$ —	\$ 100,985,462

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

Property Tax Revenue

SMFR Property taxes receivable (Special Revenue Fund)	\$ 85,994,741
CFPD Property taxes receivable (Special Revenue Fund)	11,290,468
Cherry Hills Property taxes receivable (Special Revenue Fund)	246,403
	\$ 97,531,612

NOTE 5 - CAPITAL ASSETS

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 5,796,335	\$ 1	\$ 107,000	\$ 5,689,336
Construction in progress	3,879,921	65,822	2,627,679	1,318,064
Total capital assets, not being depreciated	9,676,256	65,823	2,734,679	7,007,400
Capital assets, being depreciated:				
Buildings	47,205,342	9,354,927	1,683,424	54,876,845
Vehicles	33,997,843	2,521,757	3,556,158	32,963,442
Equipment	16,686,331	4,667,231	280,729	21,072,833
Total capital assets, being depreciated	97,889,516	16,543,915	5,520,311	108,913,120
Less accumulated depreciation for:				
Buildings	(18,023,355)	(1,307,280)	(747,032)	(18,583,603)
Vehicles	(20,789,132)	(2,763,808)	(3,538,711)	(20,014,229)
Equipment	(12,689,826)	(1,346,792)	(139,851)	(13,896,767)
Total accumulated depreciation	(51,502,313)	(5,417,880)	(4,425,594)	(52,494,599)
Total capital assets, being depreciated, net	46,387,203	11,126,035	1,094,717	56,418,521
Governmental activities capital assets, net	56,063,459	11,191,858	3,829,396	63,425,921
Business-type activities:				
Capital assets, not being depreciated:				
Land	2,598,566	—	—	2,598,566
Total capital assets, not being depreciated	2,598,566	—	—	2,598,566
Capital assets, being depreciated:				
Buildings	11,450,587	703,952	2	12,154,537
Total capital assets, being depreciated	11,450,587	703,952	2	12,154,537
Less accumulated depreciation for:				
Buildings	(8,425,923)	(258,131)	(234,182)	(8,449,872)
Total accumulated depreciation	(8,425,923)	(258,131)	(234,182)	(8,449,872)
Total capital assets, being depreciated, net	3,024,664	445,821	(234,180)	3,704,665
Business-type activities capital assets, net	\$ 5,623,230	\$ 445,821	\$ (234,180)	\$ 6,303,231

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

Governmental activities:	
Field Operations	\$ 574,278
Preparedness	5,616
Support Services	1,405,182
Metcom/Technical Services	657,837
Fleet Services	2,774,967
Total Depreciation expense - governmental activities	<u>\$ 5,417,880</u>
Business-type activities:	
Building Rental	<u>\$ 258,131</u>
Total depreciation expense - business-type activities	<u>\$ 258,131</u>

NOTE 6 - INTERFUND TRANSFERS AND BALANCES

The transfer from the SMFR and CFPD Special Revenue Funds to the General Fund and Capital Projects Fund are related to property taxes collected in the current year to cover general operating expenses. The transfer from General Fund to the Capital Projects fund is to cover capital expenditures.

Transfers between funds during 2018 were as follows:

	<u>Transfers In:</u>		
	General Fund	Capital Projects Fund	Total Transfers
Transfer Out:			
General Fund	\$ —	\$ 12,445,689	\$ 12,445,689
SMFR Special Revenue	64,712,613	—	64,712,613
CFPD Special Revenue	11,179,027	457,424	11,636,451
Total Transfers Out	<u>\$ 75,891,640</u>	<u>\$ 12,903,113</u>	<u>\$ 88,794,753</u>

Interfund receivable and payable balances arise due to short-term cash flow needs. At December 31, 2018, the balances are as follows:

	<u>Due From:</u>	
	General Fund	Self Insured Medical Fund
Due to:		
General Fund	\$ —	\$ 329,903
Self Insured Medical Fund	329,903	—
Total	<u>\$ 329,903</u>	<u>\$ 329,903</u>

NOTE 7 – LEASES

Operating Leases – Lessee

The Authority leases copy machines, staff vehicles, and EMS power loads under annually cancelable operating leases. The total lease payments in 2018 were \$298,922.

Operating Leases – Lessor

The Authority leases space in five of its buildings and on its communication tower to four cell phone or computer wireless companies. The communications tower has space leased to one neighboring fire district, a Communications District in the next county, and a school district for placement of antennas. The receipts for 2018 for renting this space were \$146,951.

The Authority leases a portion of its administrative building and the minimum anticipated receipts for the next five years are as follows:

	End Date	2019	2020	2021	2022	2023
State of CO						
Suite 350	6/30/2019	\$ 47,994	\$ -	\$ -	\$ -	\$ -
2nd Floor	10/1/2024	163,086	177,168	177,168	140,258	-
GSA Suite 375	10/15/2022	108,078	108,078	108,078	108,078	108,078
		<u>\$ 319,158</u>	<u>\$ 285,246</u>	<u>\$ 285,246</u>	<u>\$ 248,336</u>	<u>\$ 108,078</u>

NOTE 8 - GENERAL OBLIGATION DEBT

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

NOTE 9 - CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2018 was as follows:

	Beginning Balance	CFPD Merge (Beginning Balance Restatement)	Additions	Retirements	Ending Balance	Due within one year
Governmental Activities:						
Compensated Absences	\$ 4,227,827	\$ 864,986	\$ 245,486	\$ —	\$ 5,338,299	\$ 533,830
Net pension liability	2,550,627	330,988	—	1,814,816	1,066,799	—
Long-Term Liabilities	<u>\$ 6,778,454</u>	<u>\$ 1,195,974</u>	<u>\$ 245,486</u>	<u>\$ 1,814,816</u>	<u>\$ 6,405,098</u>	<u>\$ 533,830</u>

The General Fund will typically be used to liquidate compensated absences and pension related liabilities.

NOTE 10 - TAX ABATEMENTS

In accordance with GASB Statement No. 77, the Authority has disclosed all agreements entered into with other entities that involve property tax abatements. It is important to note that the Authority has not directly entered in to any abatement agreements. The terms of the agreements and payment amounts as of December 31, 2018 are detailed as follows:

The Town of Parker approved the creation of the Parker Authority for Reinvestment (the URA) that in turn adopted three urban renewal plans, namely the Parker Road Plan, Parker Central Plan and Cottonwood Plan that are within the Authority's boundaries. The creation of the URA allows for Tax Increment Financing (TIF) as described under section 31-25-101 of the Colorado Revised Statutes. The URA has retained all property taxes categorized as TIF within the designated areas and has not entered into any agreement to share those revenues with the Authority. The Authority was deprived of property tax revenues in the amount of \$190,193 during the year ended December 31, 2018 as a result.

NOTE 11 - RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; or acts of God. The District is a member of the Colorado Special District Property and Liability Pool (Pool) as of December 31, 2018. The Pool is an organization created by intergovernmental agreement to provide workers compensation coverage to its members.

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

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

NOTE 12 - RELATED PARTY TRANSACTIONS

South Metro Safety Foundation

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

Related party transactions

In 2018, four employees were paid a total of \$6,695 in 2018 for services performed. The services performed were related to embroidery and leather work for equipment used in the operations of the Authority.

Additionally, the Authority conducted transactions totaling \$46,032 with companies that were considered related parties of the Authority either because the Authority employee's family owned the company or the Authority employee worked for the company. The Authority feels these transactions are priced competitively and are accurately characterized as "arm's length" transactions.

NOTE 13 - INTERGOVERNMENTAL AGREEMENTS

Maintenance and Training Facility

The Authority has entered into an agreement with the Town of Parker and the Douglas County School District to construct and operate a joint maintenance and training facility. The Authority's initial capital percentage was 50.23% and as of December 31, 2018, the Authority has contributed a total of \$4,930,284 towards the construction of the facility. Operational costs are shared based on predetermined percentages of use, which percentages vary for different portions of the facility. Since the operation does not intend to accumulate any equity beyond the value of the constructed assets, it is not considered to be a joint venture for accounting purposes.

NOTE 14 – PENSION AND OTHER POST EMPLOYMENT BENEFITS

Defined Contribution Benefit Plans

1) Paid Firefighters and Administration Plan

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

Benefit terms, including contribution requirements, for the Plan are established by the Board of Directors. State statutes require the Authority to contribute at least 8% to the firefighter pension plan. The Authority currently contributes 12% of base pay for all employees to the pension plan. The employees, also, contribute 12% of base pay. For the year ended December 31, 2018 the Authority contributed and recognized as expense \$4,783,454 and employees contributed a total of \$4,783,454.

Employees are immediately vested in their own contributions and become vested in the Authority contributions over 3 years. Thirty-three and one third percent is vested each year so that at the end of 3 years they are fully vested. Non-vested Authority contributions are forfeited upon termination of employment. Forfeitures can be used to decrease Authority contributions. Forfeitures totaling \$38,195 were returned to the plan during 2018.

At December 31, 2018, there were 577 plan members with 448 being active employees during the year. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan has a nine member Trustee Board made up of the Fire Chief, Chief Financial Officer and the Human Resource Director by position. There are six elected trustees from the employee population and at least one elected member must be from the Administrative Employee Group (Support Services), the other five can be firefighters or administration.

Contributions made by plan members and the Authority for the year ended December 31, 2018, December 31, 2017, December 31, 2016 and December 31, 2015 are as follows:

Voya 401(a) Plan

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employees	<u>\$4,783,454</u>	<u>\$4,279,383</u>	<u>\$4,003,963</u>	<u>\$3,609,298</u>
District	<u>\$4,783,454</u>	<u>\$4,279,383</u>	<u>\$4,003,963</u>	<u>\$3,609,298</u>

Defined Benefit Plans

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

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

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

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

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.31% based on the weekly rate closest to, but not later than, the measurement date of the "state & local bonds" rate from Federal Reserve statistical release; and the resulting Single Discount Rate is 7.50%.

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

At December 31, 2018 the Authority reported the following for the four plans:

	Net Pension Liability (Asset)	Pension Expense (Income)	Deferred Inflows	Deferred Outflows
Parker Fire Protection District Volunteer Plan	\$ 307,324	\$ 30,736	\$ 15,266	\$ 43,754
South Metro Fire Rescue Volunteer Plan	6,284	6,503	16,566	13,967
Cherry Hills Old Hire Plan	2,006,308	168,415	111,013	297,856
South Metro FPPA Plan	(1,253,117)	(930,508)	439,362	1,805,283
Totals	\$ 1,066,799	\$ (724,854)	\$ 582,207	\$ 2,160,860

The net pension liability was measured as of December 31, 2017 and the total pension liability was determined by an actuarial valuation of January 1, 2017 for the two volunteer plans and a valuation of January 1, 2018 for the old hire plan. Standard update procedures were used to roll forward the total pension liability to December 31, 2017. For the year ended December 31, 2018 the Authority recognized total pension income of \$724,854.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity	37.00 %	8.33 %
Equity long/short	9.00 %	7.15 %
Illiquid alternatives	24.00 %	9.70 %
Fixed income	15.00 %	3.00 %
Absolute return	9.00 %	6.46 %
Managed futures	4.00 %	6.85 %
Cash	2.00 %	2.26 %
Total	100.00 %	

Single Discount Rate Sensitivity

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

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

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
	6.50 %	7.50 %	8.50 %
Parker Fire Volunteer	\$ 353,898	\$ 307,324	\$ 266,594
South Metro Volunteer	31,910	6,284	(15,988)
Cherry Hills Old Hire	2,374,095	2,006,308	1,686,193

2) Parker Fire Protection District Volunteer Pension Plan

The Pension Fund’s Board of Trustees is comprised of the five Directors of the Parker Fire Protection District plus two retired volunteer members. At December 31, 2018, there are 20 retired volunteers and/or beneficiaries receiving benefits. The volunteer plan is a closed plan and there are no active members. There are no inactive members not yet receiving benefits.

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

The plan is funded based on the bi-annual actuarial study. The contribution made by the Authority is the full amount of the required contribution. Plan members do not make contributions. The latest actuarial study was performed as of January 1, 2017. The next study will be performed January 1, 2019. The actuarial study as of January 2017 determines the contributions for 2018 and 2019 which is \$30,619.

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

Annual Required Contribution - Parker Fire Volunteer Pension Plan

Fiscal Year	Annual Required	Actual	
Ending	Contribution	Contribution	Percent
December 31			
2009	\$ 23,695	\$ 23,695	100 %
2010	23,695	23,695	100 %
2011	24,628	24,628	100 %
2012	24,628	24,628	100 %
2013	27,895	27,895	100 %
2014	27,895	27,895	100 %
2015	27,596	27,596	100 %
2016	28,670	28,670	100 %
2017	28,670	28,670	100 %
2018	30,619	30,619	100 %

The changes in the net pension liability for the measurement period at December 31, 2017 are calculated as follows:

A. Total Pension Liability	
Interest on the Total Pension Liability	\$ 45,556
Benefit payments	(70,308)
Net change in total pension liability	(24,752)
Total pension liability - beginning	641,936
Total pension liability - ending	<u>\$ 617,184</u>
B. Plan fiduciary net position	
Contributions - employer	\$ 28,670
Net investment income	41,017
Benefit payments	(70,308)
Pension plan Administrative Expense	(4,773)
Net change in plan fiduciary net position	\$ (5,394)
Plan fiduciary net position - beginning (Market value of assets at beginning of	315,254
Plan fiduciary net position - ending (Market value of assets at end of year)	309,860
C. Net pension liability/(asset)	<u>\$ 307,324</u>
D. Plan fiduciary net position as a percentage of the total pension liability	
	50.21 %

Contributions subsequent to the measurement date of December 31, 2017, which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction in the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Net Deferred Outflows/ (Inflows) of Resources
2019	2,340
2020	1,742
2021	(2,395)
2022	(3,818)
2023	—
Thereafter	—
Total	\$ (2,131)

3) South Metro Fire Rescue Volunteer Pension Plan

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

At December 31, 2018 there are 13 retirees and/or beneficiaries receiving benefits. The plan is funded based on the bi-annual actuarial study. The contribution made by the Authority is the full amount of the required contribution. Plan members do not make contributions. The latest actuarial study was performed as of January 1, 2017. The next study will be performed January 1, 2019. The actuarial study as of January 2017 determines that \$2,070 is needed for the 2018 and 2019 years.

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

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

Fiscal Year	Annual Required	Actual	
Ending	Contribution	Contribution	Percent
December 31			
2009	\$ —	\$ —	100 %
2010	—	—	100 %
2011	—	—	100 %
2012	—	—	100 %
2013	—	—	100 %
2014	—	—	100 %
2015	—	—	100 %
2016	—	—	100 %
2017	—	—	100 %
2018	2,070	2,070	100 %

The changes in the net pension liability/(asset) for the measurement period at December 31, 2017 is calculated as follows:

A. Total Pension Liability	
Interest on the Total Pension Liability	\$ 23,373
Benefit payments	(34,907)
Net change in total pension liability	<u>\$ (11,534)</u>
Total pension liability - beginning	328,772
Total pension liability - ending	<u><u>\$ 317,238</u></u>
B. Plan fiduciary net position	
Net investment income	\$ 42,320
Benefit payments	(34,907)
Pension plan Administrative Expense	(3,458)
Net change in plan fiduciary net position	<u>\$ 3,955</u>
Plan fiduciary net position - beginning (Market value of assets at beginning of year)	<u>306,999</u>
Plan fiduciary net position - ending (Market value of assets at end of year)	<u><u>\$ 310,954</u></u>
C. Net pension liability/(asset)	<u><u>\$ 6,284</u></u>
D. Plan fiduciary net position as a percentage of the total pension liability	98.02 %

Contributions subsequent to the measurement date of December 31, 2017, which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction in the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows

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

Year Ending December 31	Net Deferred Outflows/ (Inflows) of Resources
2019	\$ 1,283
2020	966
2021	(2,778)
2022	(4,140)
2023	—
Thereafter	—
Total	<u>\$ (4,669)</u>

4) Cherry Hills Old Hire Firefighter Plan

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

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

If a retired firefighter dies, the surviving spouse shall receive, until death or remarriage, a monthly pension equal to one third of the monthly salary of a first grade firefighter at time of death.

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

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

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

At December 31, 2018, there are 10 retirees and/or beneficiaries receiving benefits from this plan. This plan was closed upon the merger of Cherry Hills Fire Protection District and South Metro Fire Rescue.

Contributions are dependent on the biannual actuarial studies done by FPPA, which at January 1, 2018 determined a \$216,735 contribution be made in 2019 and 2020. The next actuarial study will be done as of January 1, 2020

. The contribution was recorded from the Special Revenue Fund, which collects the property tax receipts from the properties in the old Cherry Hills Fire Protection District which are used to fund the Old Hire Pension Trust Fund.

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

Annual Required Contribution - Cherry Hills Paid Pension				
Fiscal Year	Annual Required	Actual		
Ending	Contribution	Contribution		Percent
December 31				
2008	\$ 177,772	\$ 348,394		196 %
2009	182,256	182,256		100 %
2010	182,256	182,256		100 %
2011	176,740	176,740		100 %
2012	176,740	176,740		100 %
2013	206,100	206,100		100 %
2014	206,100	201,921		98 %
2015	201,921	201,921		100 %
2016	201,921	201,921		100 %
2017	214,110	214,110		100 %
2018	214,110	214,110		100 %

The changes in the net pension liability/(asset) for the measurement period at December 31, 2017 is calculated as follows:

A. Total pension liability	
Interest on the Total Pension Liability	\$ 316,762
Difference between expected and actual experience of the total pension liability	\$ (2,929)
Benefit Payments	<u>(385,824)</u>
Net change in pension liability	\$ (71,991)
Total pension liability beginning	<u>4,412,920</u>
Total pension liability ending	<u><u>\$ 4,340,929</u></u>
B. Plan fiduciary net position	
Contributions - employer	\$ 214,110
Net investment income	298,155
Benefit payments	(385,824)
Pension Plan Administrative Expense	<u>(2,568)</u>
Net change in plan fiduciary net position	<u>\$ 123,873</u>
Plan fiduciary net position - beginning (Market value of assets at beginning of year)	<u>2,210,748</u>
Plan fiduciary net position - ending (Market value of assets at end of year)	<u><u>\$ 2,334,621</u></u>
C. Net pension liability	<u><u>\$ 2,006,308</u></u>
D. Plan fiduciary net position as a percentage of the total pension liability	53.78 %

Contributions subsequent to the measurement date of December 31, 2017, which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction in the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Net Deferred Outflows/ (Inflows) of Resources
2019	\$ 11,403
2020	7,594
2021	(18,510)
2022	(27,754)
2023	—
Thereafter	<u>—</u>
Total	\$ (27,267)

The Pension Plan is funded entirely by a mill levy assessed on the former Cherry Hills Fire Protection District. For 2018 the mill levy was 0.500 mills.

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

5) South Metro Fire State Fire and Police Pension Plan (FPPA)

Description of Benefits

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

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. This plan is not open to new employees.

Contributions

The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership. Members of the SWDB plan and their employers contributing at the rate of 9.5 percent and 8 percent, respectively, of base salary for a total contribution rate of 17.5 percent in 2017. In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022. Contributions to the pension plan from the District were \$458,903 for the year ended December 31, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2018, the District reported an asset of \$1,253,117 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. At December 31, 2017, the District's proportion was 0.8710321907 percent, which was a decrease of 0.0449745643 percent from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the District recognized pension income of \$930,508. At December 31, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	\$ 903,677	\$ 13,886
Changes of assumptions or other inputs	188,800	—
Net difference between projected and actual earnings on pension plan investments	—	425,476
Changes in proportion and differences between contributions recognized and proportionate share of contributions	253,903	—
Contributions subsequent to the measurement date	458,903	—
Total	<u>\$ 1,805,283</u>	<u>\$ 439,362</u>

\$458,903 in total reported as deferred outflows of resources related to pension resulting from District contributions subsequent to measurement date will be recognized as a reduction of the net pension asset in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Net Deferred Outflows/ (Inflows) of Resources
2019	\$ 148,490
2020	129,114
2021	(51,728)
2022	(118,795)
2023	133,139
Thereafter	<u>412,895</u>
Total	\$ 653,115

Actuarial Assumptions

The total pension asset in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial method	Entry Age Normal
Amortization method	Level % of Payroll, Open
Amortization period	30 years
Long-term investment rate of return*	7.50%
Projected salary increases*	4.0% - 14.0%
Cost of living adjustments (COLA)	0.00%
*Includes inflation at	2.50%

Effective January 1, 2016, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The occupationally disabled post-retirement mortality assumption uses the same table as used for healthy annuitants, except there is a three-year set-forward, meaning a disabled member age 70 will be valued as if they were a 73 year old healthy retiree. The totally disabled post-retirement mortality assumption uses the RP-2014 generational mortality tables for disabled annuitants, except an additional provision to apply a minimum 3% mortality probability to males and 2% mortality probability for females is included to reflect substantial impairment for this population. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	37%	9.25%
Equity long/short	9%	7.15%
Illiquid alternatives	24%	9.70%
Fixed income	15%	3.00%
Absolute return	9%	6.46%
Managed futures	4%	6.85%
Cash	2%	2.26%
Total	100%	

*While the expected inflation exceeds the expected rate of return for cash, a 0.0 percent real rate of return is utilized.

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the FPPA Board's funding policy,

which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District’s Proportionate Share of the Net Pension Asset to Changes in the Discount Rate

The following presents the District’s proportionate share of the net pension liability (asset) calculated using the discount rate of 7.50 percent, as well as what the District’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportion share of the net pension liability (asset)	1,364,268	(1,253,114)	(3,426,514)

Pension Plan Fiduciary Net Position

Detailed information about the SWDB’s fiduciary net position is available in FPPA’s comprehensive annual financial report, which can be obtained at <http://www.fppaco.org>.

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

The Old Hire Pension Trust and Plan was established June 1, 1983, to provide retirement and post-retirement death benefits for paid firefighters hired by the Castlewood Fire Protection District prior to April 8, 1978. This Pension Trust and Plan was closed 2018 as there were no beneficiaries receiving benefits. The assets held in the plan at December 31, 2018 are \$0. The cost of this annual obligation for 2018 was \$0.

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

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

There are no separate audited financial statements for this plan.

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

The Volunteer Pension Trust and Plan was established June 1, 1983 to provide retirement, disability, death and severance benefits to volunteer fire fighters of the Castlewood Fire Protection District. The volunteer fire department of the District was dissolved on April 19, 1979. Accordingly, there are presently no active volunteer firefighters. There is 1 retiree receiving benefits.

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

The value of the Volunteer plan at December 31, 2018 is \$1,411. It is the responsibility of the Authority to fund this plan on an annual basis. The cost of this annual obligation for 2018 was \$4,400.

There are no separate audited financial statements for this plan.

8) **Other Employee savings plans**

Deferred compensation plans

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

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

Retiree Health Savings Plan

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

NOTE 15 - TAX, SPENDING AND DEBT LIMITATIONS

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

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

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

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

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

NOTE 16 – SUBSEQUENT EVENT

Effective April 18, 2018, the Authority entered into a pre-unification agreement with the City of Littleton to ultimately unify fire operations. In 2019, the City of Littleton will pay a fee for services for fire and emergency medical services. In 2020, City of Littleton will be included into the Authority as approved by voter election.

Effective January 1, 2019, per voter approved election, Littleton Fire Protection District and Highlands Ranch Metropolitan District fire and emergency medical services will be included into the Authority.

The Authority is currently involved in pending litigation with the Town of Parker related to the treatment of the URA's mentioned in note 10. There are no amounts to be assumed as liabilities related to the case and no probable outcome can be assumed at this time.

NOTE 17 – CHANGE IN REPORTING ENTITY

Effective January 1, 2018, the Cunningham Fire Protection District (CFPD) was merged into the Authority. As a part of this merger, there was a change in reporting entity and CFPD net position of \$13,931,324 were assumed by the Authority. The Authority made a restatement to the beginning net position as follows:

Governmental Activities

Net position at December 31, 2017, as previously reported	\$ 83,341,171
Change in reporting entity as a result of the CFPD merger	<u>13,931,324</u>
Net position at December 31, 2017, as restated	<u><u>\$ 97,272,495</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

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

Measurement period ending December 31,	2014	2015	2016	2017
Total Pension Liability				
Service Cost	\$ —	\$ —	\$ —	\$ —
Interest on Total Pension Liability	48,963	48,346	46,295	45,556
Benefit Changes	-	-	-	-
Difference between Expected and Actual Experience	20,301	-	(14,675)	-
Assumption Changes	-	-	30,490	-
Benefit Payments	(77,243)	(77,742)	(73,559)	(70,308)
Net Change in Pension Liability	(7,979)	(29,396)	(11,449)	(24,752)
Total Pension Liability - Beginning	690,760	682,781	653,385	641,936
Total Pension Liability - Ending	682,781	653,385	641,936	617,184
Plan Fiduciary Net Position				
Employer Contributions	\$ 27,895	\$ 27,596	\$ 28,670	\$ 28,670
Pension Plan Net Investment Income	26,156	6,604	17,007	41,017
Benefit Payments	(77,243)	(77,742)	(73,559)	(70,308)
Pension Plan Administrative Expense	(978)	(1,865)	(788)	(4,773)
State of Colorado supplemental discretionary payment	—	—	—	—
Net Change in Fiduciary Net Position	\$ (24,170)	\$ (45,407)	\$ (28,670)	\$ (5,394)
Plan Fiduciary Net Position - Beginning	413,501	389,331	343,924	315,254
Plan Fiduciary Net Position - Ending	\$ 389,331	\$ 343,924	\$ 315,254	\$ 309,860
Net Pension Liability/(Asset) Ending	293,450	309,461	326,682	307,324
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	57.02 %	52.64 %	49.11 %	50.21 %
Covered Employee Payroll	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A

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

Measurement period ending December 31,	2014	2015	2016	2017
Total Pension Liability				
Service Cost	\$ —	\$ —	\$ —	\$ —
Interest on Total Pension Liability	23,088	23,439	22,781	23,373
Benefit Changes	—	—	—	—
Difference between Expected and Actual Experience	21,632	—	5,285	—
Assumption Changes	—	—	13,362	—
Benefit Payments	(47,577)	(32,220)	(32,220)	(34,907)
Net Change in Pension Liability	(2,857)	(8,781)	9,208	(11,534)
Total Pension Liability - Beginning	331,202	328,345	319,564	328,772
Total Pension Liability - Ending	\$ 328,345	\$ 319,564	\$ 328,772	\$ 317,238
Plan Fiduciary Net Position				
Employer Contributions	\$ —	\$ —	\$ —	\$ —
Pension Plan Net Investment Income	24,758	6,357	16,253	42,320
Benefit Payments	(47,577)	(32,220)	(32,220)	(34,907)
Pension Plan Administrative Expense	(941)	(1,631)	(766)	(3,458)
State of Colorado supplemental discretionary payment	—	—	—	—
Net Change in Fiduciary Net Position	\$ (23,760)	\$ (27,494)	\$ (16,733)	\$ 3,955
Plan Fiduciary Net Position - Beginning	374,986	351,226	323,732	306,999
Plan Fiduciary Net Position - Ending	\$ 351,226	\$ 323,732	\$ 306,999	\$ 310,954
Net Pension Liability/(Asset) Ending	\$ (22,881)	\$ (4,168)	\$ 21,773	\$ 6,284
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	106.97 %	101.30 %	93.38 %	98.02 %
Covered Employee Payroll	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A

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

Measurement period ending December 31,	2014	2015	2016	2017
Total Pension Liability				
Service Cost	\$ —	\$ —	\$ —	\$ —
Interest on Total Pension Liability	323,296	317,279	321,975	316,762
Benefit Changes	—	—	—	—
Difference between Expected and Actual Experience	—	(151,064)	—	(2,929)
Assumption Changes	—	296,129	—	—
Benefit Payments	(404,573)	(402,436)	(396,933)	(385,824)
Net Change in Pension Liability	(81,277)	59,908	(74,958)	(71,991)
Total Pension Liability - Beginning	4,509,247	4,427,970	4,487,878	4,412,920
Total Pension Liability - Ending	\$ 4,427,970	\$ 4,487,878	\$ 4,412,920	\$ 4,340,929
Plan Fiduciary Net Position				
Employer Contributions	\$ 201,921	\$ 201,921	\$ 201,921	\$ 214,110
Employee Contributions	—	—	—	—
Pension Plan Net Investment Income	160,764	45,805	118,377	298,155
Benefit Payments	(404,573)	(402,436)	(396,933)	(385,824)
Pension Plan Administrative Expense	(6,875)	(3,687)	(5,643)	(2,568)
Net Change in Fiduciary Net Position	\$ (48,763)	\$ (158,397)	\$ (82,278)	\$ 123,873
Plan Fiduciary Net Position - Beginning	2,500,186	2,451,423	2,293,026	2,210,748
Plan Fiduciary Net Position - Ending	\$ 2,451,423	\$ 2,293,026	\$ 2,210,748	\$ 2,334,621
Net Pension Liability/(Asset) Ending	\$ 1,976,547	\$ 2,194,852	\$ 2,202,172	\$ 2,006,308
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	55.36 %	51.09 %	50.10 %	53.78 %
Covered Employee Payroll	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A

South Metro Fire Rescue FPPA Plan
Schedule of Required Supplemental Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years
(to be built prospectively)

Measurement period ending December 31,	<u>2017</u>
Authority's proportionate (percentage) of the collective net pension liability (asset)	0.8710321907%
Authority's proportionate share of the collective pension liability (asset)	\$ 1,253,117
Covered-employee payroll	\$ 5,126,225
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	24.45%
Plan fiduciary net position as a percentage of the total pension liability	106.34%

*The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Information earlier than 2017 is available under Cunningham Fire Protection District and is not reflected here.

**Parker Fire Protection District Volunteer Pension Plan
Schedule of Contributions Multiyear
Last Ten Fiscal Years**

FY Ending December 31,	Acturially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2018	\$ 30,619	\$ 30,619	—	N/A	N/A
2017	28,670	28,670	—	N/A	N/A
2016	28,670	28,670	—	N/A	N/A
2015	27,895	27,596	299	N/A	N/A
2014	27,895	27,895	—	N/A	N/A
2013	24,628	27,895	(3,267)	N/A	N/A
2012	24,628	24,628	—	N/A	N/A
2011	23,695	24,628	(933)	N/A	N/A
2010	23,695	23,695	—	N/A	N/A
2009	23,695	23,695	—	N/A	N/A

**South Metro Fire Rescue Volunteer Pension Plan
Schedule of Contributions Multiyear
Last Ten Fiscal Years**

FY Ending December 31,	Acturially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2018	\$ 2,070	\$ 2,070	\$ —	N/A	N/A
2017	—	—	—	N/A	N/A
2016	—	—	—	N/A	N/A
2015	—	—	—	N/A	N/A
2014	—	—	—	N/A	N/A
2013	—	—	—	N/A	N/A
2012	—	—	—	N/A	N/A
2011	—	—	—	N/A	N/A
2010	—	—	—	N/A	N/A
2009	—	—	—	N/A	N/A

**Cherry Hills Old Hire Pension Plan
Schedule of Contributions Multiyear
Last Ten Fiscal Years**

FY Ending December 31,	Acturially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2018	\$ 214,110	\$ 214,110	—	N/A	N/A
2017	214,110	214,110	—	N/A	N/A
2016	201,921	201,921	—	N/A	N/A
2015	201,921	201,921	—	N/A	N/A
2014	206,100	201,921	4,179	N/A	N/A
2013	206,100	206,100	—	N/A	N/A
2012	176,740	176,740	—	N/A	N/A
2011	176,740	176,740	—	N/A	N/A
2010	182,256	182,256	—	N/A	N/A
2009	182,256	182,256	—	N/A	N/A

**South Metro Fire Rescue FPPA Plan
Schedule of Contributions Multiyear
Last Ten Fiscal Years**

FY Ending December 31,	Acturially Determined Contribution		Actual Contribution		Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2018	\$	458,903	\$	458,903	—	\$ 5,954,853	7.71%

*Information earlier than 2018 is available under Cunningham Fire Protection District and is not reflected here.

**SOUTH METRO/CUNNINGHAM FIRE RESCUE AUTHORITY
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 DECEMBER 31, 2018**

NOTE 1 – SCHEDULE OF CONTRIBUTIONS

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

1. Parker Fire Protection District Volunteer Pension Fund

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

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open
Remaining Amortization Period	19 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	3.00%
Salary Increases	N/A
Investment Rate of Return	7.50%
Retirement Age	50% per Year of Eligibility Until 100% at Age 65
Mortality	Pre-Retirement: RP-2000 Combined Mortality Table with Blue Collar Adjustment, 40% Multiplier for Off-Duty Mortality Post-Retirement: RP-2000 Combined Mortality Table, with Blue Collar Adjustment Disabled: RP-2000 Disabled Mortality Table All Tables Projected with Scale AA

2. South Metro Fire Rescue Volunteer Pension Fund

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

SOUTH METRO/CUNNINGHAM FIRE RESCUE AUTHORITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2018
(Continued)

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

3. Cherry Hills Old Hire Fire Pension Fund

Valuation Date: Actuarially determined contribution rates are calculated as of January 1 of even numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2016 determines the contribution amounts for 2017 and 2018.

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open
Remaining Amortization Period	18 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	7.50%
Retirement Age	Any remaining actives are assumed to retire immediately
Mortality	Post-Retirement: RP-2014 Combined Mortality Table, with Blue Collar Adjustment Disabled: RP-2014 Disabled Mortality Table All Tables Projected with Scale BB

**SOUTH METRO/CUNNINGHAM FIRE RESCUE AUTHORITY
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GENERAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
REVENUE		
Property taxes	\$ -	\$ 53,829,411
Specific ownership taxes	-	5,243,327
Charges for service - transports	6,089,477	-
Charges for service - plan review fees	1,637,111	1,758,030
Dispatch fees	1,035,219	203,885
Deployment reimbursements	1,082,535	707,649
Net investment earnings	860,528	364,250
Miscellaneous revenue	1,236,637	1,476,890
Total revenue	<u>11,941,507</u>	<u>63,583,442</u>
EXPENDITURES		
Public Safety		
Administration	8,445,908	7,367,842
Field operations	56,306,725	41,463,055
Preparedness	4,959,920	4,937,445
Fire Marshal	3,164,295	2,889,075
Metcom/Technical service	8,099,594	5,785,745
Fleet maintenance	2,965,746	2,284,781
Buildings and grounds maintenance	1,774,050	1,690,030
Capital outlay	6,140	244,638
Total expenditures	<u>85,722,378</u>	<u>66,662,611</u>
Excess (deficiency) of revenue over expenditures	(73,780,871)	(3,079,169)
OTHER FINANCING SOURCES (USES)		
Transfers from other funds	75,891,640	6,107,936
Transfers to other funds	(12,445,688)	-
Sale of capital assets	1,392,020	71,745
Net change in fund balance	(8,942,899)	3,100,512
Fund balances - beginning of year, restated	<u>45,949,544</u>	<u>36,542,726</u>
Fund balances - end of year	<u>\$ 37,006,645</u>	<u>\$ 39,643,238</u>

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

**SOUTH METRO/CUNNINGHAM FIRE RESCUE AUTHORITY
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 SMFR SPECIAL REVENUE FUND
 FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	2018	2017
REVENUE		
Property taxes	\$ 60,390,296	\$ -
Specific ownership taxes	5,378,253	-
Total revenue	65,768,549	-
EXPENDITURES		
Administration	905,936	-
Total expenditures	905,936	-
Excess (deficiency) of revenue over expenditures	64,862,613	-
OTHER FINANCING SOURCES (USES)		
Transfers to other funds	(64,712,613)	-
Net change in fund balance	150,000	-
Fund balances - beginning of year	-	-
Fund balances - end of year	\$ 150,000	\$ -

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

**SOUTH METRO/CUNNINGHAM FIRE RESCUE AUTHORITY
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 CFPD SPECIAL REVENUE FUND
 FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	2018	2017
REVENUE		
Property taxes	\$ 11,140,986	\$ -
Specific ownership taxes	812,581	-
Total revenue	11,953,567	-
EXPENDITURES		
Administration	167,116	-
Total expenditures	167,116	-
Excess (deficiency) of revenue over expenditures	11,786,451	-
OTHER FINANCING SOURCES (USES)		
Transfers to other funds	(11,636,451)	-
Net change in fund balance	150,000	-
Fund balances - beginning of year	-	-
Fund balances - end of year	\$ 150,000	\$ -

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

**SOUTH METRO/CUNNINGHAM FIRE RESCUE AUTHORITY
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 CHERRY HILLS PENSION SPECIAL REVENUE FUND
 FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	2018	2017
REVENUE		
Property Taxes	\$ 244,420	\$ 240,454
Specific Ownership Tax	17,835	20,644
Net investment earnings	14,792	7,233
Total revenue	277,047	268,331
EXPENDITURES		
Administration	3,671	3,612
Pension contributions	214,110	214,110
Total expenditures	217,781	217,722
Excess (deficiency) of revenue over expenditures	59,266	50,609
Net change in fund balance	59,266	50,609
Fund balances - beginning of year	498,984	448,375
Fund balances - end of year	\$ 558,250	\$ 498,984

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

**SOUTH METRO/CUNNINGHAM FIRE RESCUE AUTHORITY
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUND
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	2018	2017
REVENUE		
Net investment earnings	\$ 21,747	\$ 10,056
Total revenue	21,747	10,056
 EXPENDITURES		
Equipment capital outlay	3,705,054	—
Vehicle capital outlay	1,047,359	3,322,868
Buildings and ground capital outlay	8,485,567	2,008,738
Total expenditures	13,237,980	5,331,606
Excess (deficiency) of revenue over expenditures	(13,216,233)	(5,321,550)
 OTHER FINANCING SOURCES (USES)		
Transfers from other funds	12,903,112	—
Total other financing sources (uses)	12,903,112	—
Net change in fund balance	(313,121)	(5,321,550)
Fund balances - beginning of year, restated	313,121	5,351,715
Fund balances - end of year	\$ —	\$ 30,165

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

**SOUTH METRO/CUNNINGHAM FIRE RESCUE AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUE				
Net investment earnings	\$ 10,000	\$ 21,747	\$ 21,747	\$ —
Total revenue	<u>10,000</u>	<u>21,747</u>	<u>21,747</u>	<u>\$ —</u>
EXPENDITURES				
Field operations	—	3,485,312	3,485,312	—
Metcom/Technical Service	—	219,742	219,742	—
Capital outlay	11,483,485	9,532,926	9,532,926	—
Total expenditures	<u>11,483,485</u>	<u>13,237,980</u>	<u>13,237,980</u>	<u>—</u>
Excess (deficiency) of revenue over expenditures	<u>(11,473,485)</u>	<u>(13,216,233)</u>	<u>(13,216,233)</u>	<u>—</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	<u>459,429</u>	<u>12,903,112</u>	<u>12,903,112</u>	<u>—</u>
Net change in fund balance	(11,014,056)	(313,121)	(313,121)	—
Fund balance - beginning of year, restated	<u>11,014,056</u>	<u>313,121</u>	<u>313,121</u>	<u>—</u>
Fund balance - end of year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

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

SOUTH METRO/CUNNINGHAM FIRE RESCUE AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUNDS AVAILABLE
BUDGET TO ACTUAL - BUDGETARY BASIS
BUILDING RENTAL FUND
YEAR ENDED DECEMBER 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUE				
Rental Income	\$ 821,665	\$ 820,434	\$ 820,434	\$ —
Investment income	30,000	49,845	49,845	—
Miscellaneous revenue	5,000	—	—	—
Total revenue	<u>856,665</u>	<u>870,279</u>	<u>870,279</u>	<u>—</u>
EXPENDITURES				
Fleet, buildings and grounds maintenance	580,031	556,079	556,079	—
Capital outlay	623,470	713,826	713,826	—
Total expenditures	<u>1,203,501</u>	<u>1,269,905</u>	<u>1,269,905</u>	<u>—</u>
Excess (deficiency) revenue over expenditures	(346,836)	(399,626)	(399,626)	—
Net change in fund balances	<u>(346,836)</u>	<u>(399,626)</u>	<u>(399,626)</u>	<u>—</u>
Funds available - beginning of year	<u>2,682,807</u>	<u>2,673,249</u>	<u>2,673,249</u>	<u>—</u>
Funds available - end of year	<u>\$ 2,335,971</u>	<u>\$ 2,273,623</u>	<u>\$ 2,273,623</u>	<u>\$ —</u>
Reconciliation to GAAP basis				
Excess of revenue (under) expenditures			\$ (399,626)	
Capital purchases			938,132	
Depreciation			<u>(258,131)</u>	
Net income - GAAP basis			<u>\$ 280,375</u>	
Funds available at December 31, 2018 is computed as follows:				
Funds available - end of year			\$ 2,273,623	
Net investment in capital assets			<u>6,303,231</u>	
			<u>\$ 8,576,854</u>	

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

SOUTH METRO/CUNNINGHAM FIRE RESCUE AUTHORITY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	1/1/2018	Additions	Deductions	12/31/2018
<u>JSF Agency Fund</u>				
ASSETS				
Cash and deposits	\$ 19,841	\$ —	\$ 19,841	\$ —
Total assets	<u>\$ 19,841</u>	<u>\$ —</u>	<u>\$ 19,841</u>	<u>\$ —</u>
LIABILITIES				
Due to other governments	\$ 19,841	\$ —	\$ 19,841	\$ —
Total liabilities	<u>\$ 19,841</u>	<u>\$ —</u>	<u>\$ 19,841</u>	<u>\$ —</u>
<u>SMFRA Medical Self-Insurance Fund</u>				
ASSETS				
Cash and deposits	\$ 2,230,113	\$ —	\$ 1,790,819	\$ 439,294
Receivable	—	712,669	—	712,669
Total assets	<u>\$ 2,230,113</u>	<u>\$ 712,669</u>	<u>\$ 1,790,819</u>	<u>\$ 1,151,963</u>
LIABILITIES				
Due to other governments	\$ —	\$ 329,903	\$ —	\$ 329,903
Held for medical claims	2,230,113	—	1,408,053	822,060
Total liabilities	<u>\$ 2,230,113</u>	<u>\$ 329,903</u>	<u>\$ 1,408,053</u>	<u>\$ 1,151,963</u>
<u>JACC Agency Fund</u>				
ASSETS				
Cash and deposits	\$ 184,170	\$ —	\$ 55,825	\$ 128,345
Total assets	<u>\$ 184,170</u>	<u>\$ —</u>	<u>\$ 55,825</u>	<u>\$ 128,345</u>
LIABILITIES				
Payables	\$ —	\$ 5,382	\$ —	\$ 5,382
Held for JACC	184,170	—	61,207	122,963
Total liabilities	<u>\$ 184,170</u>	<u>\$ 5,382</u>	<u>\$ 61,207</u>	<u>\$ 128,345</u>
<u>Totals-All Agency Funds</u>				
ASSETS				
Cash and deposits	\$ 2,434,124	\$ —	\$ 1,866,485	\$ 567,639
Receivable	—	712,669	—	712,669
Total assets	<u>\$ 2,434,124</u>	<u>\$ 712,669</u>	<u>\$ 1,866,485</u>	<u>\$ 1,280,308</u>
LIABILITIES				
Due to other governments	\$ 19,841	\$ 329,903	\$ 19,841	\$ 329,903
Payables	—	5,382	—	5,382
Held for JACC	184,170	—	61,207	122,963
Held for medical claims	2,230,113	—	1,408,053	822,060
Total liabilities	<u>\$ 2,434,124</u>	<u>\$ 335,285</u>	<u>\$ 1,489,101</u>	<u>\$ 1,280,308</u>

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

**SOUTH METRO/CUNNINGHAM FIRE RESCUE AUTHORITY
 COMBINING STATEMENT OF NET POSITION
 FIDUCIARY FUNDS
 DECEMBER 31, 2018**

	Castlewood Old Hire Pension Fund	Castlewood Volunteer Pension Fund	Total Pension Funds
ASSETS			
Cash and investments held by trustee	\$ —	\$ 1,411	\$ 1,411
Total assets	—	1,411	1,411
NET POSITION			
Held in trust for pension benefits	—	1,411	1,411
Total net position	\$ —	\$ 1,411	\$ 1,411

The accompanying notes are an integral part of the financial statements

**SOUTH METRO/CUNNINGHAM FIRE RESCUE AUTHORITY
 COMBINING STATEMENT OF CHANGES IN NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2018**

	Castlewood Old Hire Pension Fund	Volunteer Pension Fund	Total Pension Fund
ADDITIONS			
Contributions:			
Employer	\$ —	\$ 4,400	\$ 4,400
Investment earnings:			
Interest	16	50	66
Total investment earnings	16	50	66
Total additions	16	4,450	4,466
DEDUCTIONS			
Operating expenses:			
Benefits	710	2,640	3,350
Administrative expenses	3,446	2,978	6,424
Total deductions	4,156	5,618	9,774
Changes in net position	(4,140)	(1,168)	(5,308)
Net position - beginning	4,140	2,579	6,719
Net position - ending	\$ —	\$ 1,411	\$ 1,411

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

STATISTICAL SECTION

South Metro/Cunningham Fire Rescue Authority
Net Position by Component
Last Ten Fiscal Years

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities						Restated				Restated
Net invested in capital										
assets	\$31,555,399	\$31,155,124	\$30,211,735	\$37,553,488	\$37,980,429	\$35,572,670	\$40,310,492	\$45,859,677	\$49,544,941	\$ 63,425,921
Restricted	1,676,967	1,677,229	1,677,229	1,677,229	1,677,229	1,677,229	1,677,229	1,859,413	1,907,503	1,216,495
Unrestricted	22,920,497	32,024,528	43,751,919	39,648,568	45,390,957	46,813,523	41,729,011	33,889,278	31,389,743	31,821,955
Total governmental activities net position	\$56,152,863	\$64,856,881	\$75,640,883	\$78,879,285	\$85,048,615	\$84,063,422	\$83,716,732	\$81,608,368	\$82,842,187	\$ 96,464,371
Business-type activities										
Net invested in capital										
assets	\$ 6,914,351	\$ 6,189,147	\$ 5,775,640	\$ 7,436,201	\$ 7,264,343	\$ 7,533,403	\$ 7,080,071	\$ 6,760,140	\$ 5,623,230	\$ 6,303,231
Unrestricted	128,226	591,688	1,918,033	2,896,818	3,491,121	4,317,329	5,323,063	6,722,583	2,673,249	2,273,623
Total business-type activities net position	\$ 7,042,577	\$ 6,780,835	\$ 7,693,673	\$10,333,019	\$10,755,464	\$11,850,732	\$12,403,134	\$13,482,723	\$ 8,296,479	\$ 8,576,854
Primary government										
Net invested in capital										
assets	\$38,469,750	\$37,344,271	\$35,987,375	\$44,989,689	\$45,244,772	\$43,106,073	\$47,390,563	\$52,619,817	\$55,168,171	\$ 69,729,152
Restricted - Emergency Reserve	1,676,967	1,677,229	1,677,229	1,677,229	1,677,229	1,677,229	1,677,229	1,859,413	1,907,503	1,216,495
Unrestricted	23,048,723	32,616,216	45,669,952	42,545,386	48,882,078	51,130,852	47,052,074	40,611,861	34,062,992	34,095,578
Total primary government net position	\$63,195,440	\$71,637,716	\$83,334,556	\$89,212,304	\$95,804,079	\$95,914,154	\$96,119,866	\$95,091,091	\$91,138,666	\$105,041,225

South Metro/Cunningham Fire Rescue Authority
Changes in Net Position
Last Ten Fiscal Years

Expenses	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities:						Restated				Restated
Field operations	\$ 39,409,243	\$ 39,277,194	\$ 38,610,659	\$ 38,124,220	\$ 38,306,121	\$ 42,244,360	\$ 37,210,868	\$ 38,237,300	\$ 47,931,085	\$ 66,461,430
Preparedness	-	-	-	-	-	-	4,295,777	4,149,473	4,916,478	4,948,552
Intra-governmental-fleet service	341,979	322,736	286,688	-	-	-	-	-	-	-
Fleet services	-	-	-	3,348,158	3,363,994	3,844,680	3,753,049	4,125,614	(17,610)	4,204,713
Support services	9,313,907	9,260,627	8,352,836	10,443,672	9,049,321	10,057,504	12,200,292	9,750,459	8,892,556	4,801,175
Fire Marshal	3,768,763	3,549,175	3,006,924	3,023,428	3,080,050	3,383,915	2,430,675	2,699,413	2,862,739	3,182,917
Metcom/Technical Services	-	-	-	-	-	-	-	6,654,643	5,228,438	8,563,772
Capital lease interest	368,258	264,187	230,552	171,682	3,464	-	-	-	-	-
Total governmental activities expenses	\$ 53,202,150	\$ 52,673,919	\$ 50,487,659	\$ 55,111,160	\$ 53,802,950	\$ 59,530,459	\$ 59,890,661	\$ 65,616,902	\$ 69,813,686	\$ 92,162,559
Business-type activities:										
Building rental	\$ 1,324,113	\$ 1,327,309	\$ 1,316,922	\$ 1,100,047	\$ 1,047,679	\$ 1,096,244	\$ 1,087,384	\$ 864,682	\$ 858,801	\$ 589,904
Ambulance transports*	3,422,257	3,355,837	3,079,904	3,267,603	3,607,107	3,798,215	3,960,029	3,776,570	3,125,249	-
Total business-type activities expenses	\$ 4,746,370	\$ 4,683,146	\$ 4,396,826	\$ 4,367,650	\$ 4,654,786	\$ 4,894,459	\$ 5,047,413	\$ 4,641,252	\$ 3,984,050	\$ 589,904
Total primary government expenses	\$ 57,948,520	\$ 57,357,065	\$ 54,884,485	\$ 59,478,810	\$ 58,457,736	\$ 64,424,918	\$ 64,938,074	\$ 70,258,154	\$ 73,797,736	\$ 92,752,463
Program Revenues										
Governmental activities:										
Field operations	\$ 430,040	\$ 550,481	\$ 920,800	\$ 1,289,828	\$ 947,793	\$ 723,404	\$ 647,132	\$ 544,856	\$ 848,205	\$ 7,264,272
Preparedness	-	-	-	-	-	-	79,679	170,598	274,106	287,876
Intra-governmental-fleet service	318,218	323,802	286,830	-	-	-	-	-	-	-
Fleet services	-	-	-	353,504	356,838	368,251	353,961	206,799	277,495	57,544
Support services	325,587	396,431	330,726	260,562	458,987	395,342	374,188	486,472	229,673	151,090
Fire Marshal	514,329	726,448	805,376	907,462	1,159,437	1,334,826	1,477,511	1,701,879	1,803,896	1,680,971
Metcom/Technical service	-	-	-	-	-	-	-	213,426	440,511	1,221,460
Total governmental activities program revenues	\$ 1,588,174	\$ 1,997,162	\$ 2,343,732	\$ 2,811,356	\$ 2,923,055	\$ 2,821,823	\$ 2,932,471	\$ 3,324,030	\$ 3,873,886	\$ 10,663,213
Business-type activities:										
Building rental	\$ 1,466,148	\$ 1,220,768	\$ 864,252	\$ 2,944,299	\$ 1,283,913	\$ 1,561,458	\$ 1,450,494	\$ 1,447,718	\$ 1,287,984	\$ 820,434
Ambulance transports*	3,120,743	3,200,636	3,740,998	4,021,685	4,075,906	4,034,584	4,034,916	4,210,217	4,575,987	-
Total governmental activities program revenues	\$ 4,586,891	\$ 4,421,404	\$ 4,605,250	\$ 6,965,984	\$ 5,359,819	\$ 5,596,042	\$ 5,485,410	\$ 5,657,935	\$ 5,863,971	\$ 820,434
Total primary government program revenues	\$ 6,175,065	\$ 6,418,566	\$ 6,948,982	\$ 9,777,340	\$ 8,282,874	\$ 8,417,865	\$ 8,417,881	\$ 8,981,965	\$ 9,737,857	\$ 11,483,647
Net (Expense)/Revenue										
Governmental activities	\$ (51,613,976)	\$ (50,676,757)	\$ (48,143,927)	\$ (52,299,804)	\$ (50,879,895)	\$ (56,708,636)	\$ (56,958,190)	\$ (62,292,872)	\$ (65,939,800)	\$ (81,499,346)
Business-type activities	(159,479)	(261,742)	208,424	2,598,334	705,033	701,583	437,997	1,016,683	1,879,921	230,530
Total primary government net expense	\$ (51,773,455)	\$ (50,938,499)	\$ (47,935,503)	\$ (49,701,470)	\$ (50,174,862)	\$ (56,007,053)	\$ (56,520,193)	\$ (61,276,189)	\$ (64,059,879)	\$ (81,268,816)
General Revenues										
Governmental activities:										
Property tax	\$ 52,535,639	\$ 55,250,494	\$ 55,617,290	\$ 50,955,181	\$ 51,005,289	\$ 51,354,176	\$ 51,684,596	\$ 53,737,956	\$ 54,069,865	\$ 71,775,702
Specific ownership tax	3,859,914	3,751,846	3,618,371	3,697,554	3,964,219	4,197,425	4,485,684	4,542,980	5,263,971	6,208,669
Investment earnings	306,909	302,629	199,716	301,132	125,608	254,646	315,995	556,239	381,539	897,067
Gain (loss) on sale of assets	-	62,617	-	2,000	876,929	(821,111)	85,914	47,236	71,745	1,392,020
Miscellaneous income	890,344	13,189	176,966	194,006	1,077,180	693,545	39,311	1,748,472	272,568	417,764
Transfers	32,846	-	(684,414)	-	-	(380,472)	-	-	7,164,540	-
Total governmental activities	\$ 57,625,652	\$ 59,380,775	\$ 58,927,929	\$ 55,149,873	\$ 57,049,225	\$ 55,298,209	\$ 56,611,500	\$ 60,632,883	\$ 67,224,228	\$ 80,691,222
Business-type activities:										
Miscellaneous income	\$ 19,118	\$ -	\$ 20,000	\$ 41,012	\$ 163,481	\$ 12,435	\$ 113,212	\$ 55,257	\$ 4,528	\$ -
Investment earnings	-	-	-	-	-	778	1,193	7,649	93,847	49,845
Sale of assets	-	-	-	-	40,698	-	-	-	-	-
Transfers	32,846	-	684,414	-	-	380,472	-	-	(7,164,540)	-
Total business-type activities	\$ 51,964	\$ -	\$ 704,414	\$ 41,012	\$ 204,179	\$ 393,685	\$ 114,405	\$ 62,906	\$ (7,066,165)	\$ 49,845
Total primary government	\$ 57,677,616	\$ 59,380,775	\$ 59,632,343	\$ 55,190,885	\$ 57,253,404	\$ 55,691,894	\$ 56,725,905	\$ 60,695,789	\$ 60,158,063	\$ 80,741,067
Change in Net Position										
Governmental activities	\$ 6,011,676	\$ 8,704,018	\$ 10,784,002	\$ 2,850,069	\$ 6,169,330	\$ (1,410,427)	\$ (346,690)	\$ (1,659,989)	\$ 1,284,428	\$ (808,124)
Business-type activities	(107,515)	(261,742)	912,838	2,639,346	909,212	1,095,268	552,402	1,079,589	(5,186,244)	280,375
Total primary government	\$ 5,904,161	\$ 8,442,276	\$ 11,696,840	\$ 5,489,415	\$ 7,078,542	\$ (315,159)	\$ 205,712	\$ (580,400)	\$ (3,901,816)	\$ (527,749)

* The South Metro Ambulance Transports Fund was dissolved in 2017. Starting in 2018, ambulance transport data is included with the General Fund.

South Metro/Cunningham Fire Rescue Authority
Fund Balances, Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund						Restated				Restated
Non-spendable	\$ 117,873	\$ 651,756	\$ 672,803	\$ 283,797	\$ 207,902	\$ 289,979	\$ 248,845	\$ 1,421,568	\$ 2,996,772	\$ 2,825,564
Restricted	1,676,967	1,677,229	1,677,229	1,677,229	1,677,229	1,677,229	1,677,229	1,855,245	1,907,503	358,245
Unassigned	17,861,940	24,990,598	34,783,950	22,720,736	29,781,644	32,725,239	34,078,639	33,265,913	34,738,963	33,822,836
Total general fund	<u>\$ 19,656,780</u>	<u>\$ 27,319,583</u>	<u>\$ 37,133,982</u>	<u>\$ 24,681,762</u>	<u>\$ 31,666,775</u>	<u>\$ 34,692,447</u>	<u>\$ 36,004,713</u>	<u>\$ 36,542,726</u>	<u>\$ 39,643,238</u>	<u>\$ 37,006,645</u>
All Other Governmental Funds										
Non-spendable	—	—	—	218,684	—	—	—	—	—	—
Restricted: Cherry Hills Pension Fund	—	—	—	—	—	425,234	443,110	448,375	498,984	558,250
Assigned, reported in:										
Capital project funds	7,389,748	8,743,022	10,694,278	19,808,047	18,982,476	18,986,209	12,434,339	5,351,715	30,165	—
Special revenue funds:										
Parker Fire Protection District Fund	150,000	150,000	132,706	149,508	149,958	149,958	149,945	—	—	—
SMFR Fund	150,000	150,000	132,793	149,584	149,949	149,949	150,006	—	—	150,000
CFPD Fund	—	—	—	—	—	—	—	—	—	150,000
Total all other governmental funds	<u>\$ 7,689,748</u>	<u>\$ 9,043,022</u>	<u>\$ 10,959,777</u>	<u>\$ 20,325,823</u>	<u>\$ 19,282,383</u>	<u>\$ 19,711,350</u>	<u>\$ 13,177,400</u>	<u>\$ 5,800,090</u>	<u>\$ 529,149</u>	<u>\$ 858,250</u>

South Metro/Cunningham Fire Rescue Authority
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2009	2010	2011	2012	2013	2014 Restated	2015	2016	2017	2018 Restated
Revenues										
Property taxes	\$ 52,535,639	\$ 55,250,495	\$ 55,617,290	\$ 50,955,181	\$ 51,005,289	\$ 51,354,176	\$ 51,684,596	\$ 53,737,957	\$ 54,069,865	\$ 71,775,702
Specific ownership taxes	3,859,914	3,751,846	3,618,371	3,697,554	3,964,220	4,197,425	4,485,684	4,542,980	5,263,971	6,208,669
Net investment earnings	306,909	302,627	199,714	301,131	125,609	254,646	315,995	556,239	381,539	897,067
Charges for service - transports*	-	-	-	-	-	-	-	-	-	6,089,477
Charges for service - plan review	-	-	-	-	-	-	-	-	-	1,637,111
Dispatch fees**	-	-	-	-	-	-	-	-	-	1,035,219
Deployment reimbursements**	-	-	-	-	-	-	-	-	-	1,082,535
Rental income	176,677	191,661	201,124	197,761	198,708	247,862	203,673	217,357	155,553	151,091
Gain (loss) on sale of assets	73,532	62,617	11,125	2,000	82,755	3,704,112	164,852	47,236	71,745	1,392,020
Other	1,145,696	1,490,288	1,947,989	2,807,601	3,801,528	3,267,508	2,768,108	3,126,271	3,990,901	1,085,546
Total Revenues	58,098,367	61,049,534	61,595,613	57,961,228	59,178,109	63,025,729	59,622,908	62,228,040	63,933,574	91,354,437
Expenditures										
Public Safety										
Administration	4,119,528	4,823,890	4,478,882	4,343,370	4,417,199	4,754,912	6,460,264	6,837,944	7,371,454	9,522,631
Field operations	36,476,918	36,019,376	35,264,583	37,687,188	38,044,547	40,218,314	37,132,243	38,150,318	41,677,165	60,006,147
Preparedness	—	—	—	—	—	—	4,250,316	4,115,740	4,937,445	4,959,920
Community safety services	3,669,791	3,553,243	3,011,330	3,004,002	3,072,077	3,369,134	2,484,518	2,698,514	2,889,075	3,164,295
Technology	2,135,240	1,697,055	1,590,990	1,673,354	1,684,270	2,392,347	3,169,623	6,249,759	5,785,745	8,319,336
Fleet maintenance	1,543,483	1,915,986	1,967,017	2,216,122	2,393,930	2,831,042	2,484,845	2,641,530	2,284,781	2,965,746
Building and grounds maintenance	2,078,569	1,604,474	1,208,652	3,366,314	1,799,461	1,823,027	1,589,541	1,652,585	1,690,030	1,774,050
Debt Service										
Principal	3,346,840	1,049,180	974,135	4,038,731	86,305	46,093	—	—	—	—
Interest	439,314	277,435	237,037	190,200	5,344	1,885	—	—	—	—
Capital outlay	958,170	1,092,818	447,419	5,207,962	1,733,403	4,179,098	7,273,541	7,764,767	5,576,244	9,539,066
Total expenditures	54,767,853	52,033,457	49,180,045	61,727,243	53,236,536	59,615,852	64,844,891	70,111,157	72,211,939	100,251,191
Excess of revenue over (under) expenditures	\$3,330,514	\$9,016,077	\$12,415,568	-\$3,766,015	\$5,941,573	\$3,409,877	\$(5,221,983)	\$(7,883,117)	\$(8,278,365)	\$(8,896,754)
Other Financing Sources (Uses)										
Transfer from other funds	61,904,541	60,084,743	60,472,497	67,532,954	54,228,710	58,286,717	55,182,986	1,445,577	6,107,936	88,794,752
Transfer (to) other funds	-61,937,387	-60,084,743	-61,156,911	-67,532,954	-54,228,710	-58,667,189	-55,182,986	-401,757	—	(88,794,752)
Total other financing sources (uses)	(32,846)	—	(684,414)	—	—	(380,472)	—	1,043,820	6,107,936	—
Net change in fund balances	\$3,297,668	\$9,016,077	\$11,731,154	\$(3,766,015)	\$5,941,573	\$3,029,405	\$(5,221,983)	\$(6,839,297)	\$(2,170,429)	\$(8,896,754)
Debt service as a percentage of noncapital expenditures	7.6 %	2.7 %	2.5 %	8.1 %	0.2 %	0.1 %	—%	—%	—%	—%

*Starting in 2018, ambulance transport revenue is included with the General Fund revenues.

**Prior to 2018, these revenues were included with Other General Fund revenues.

South Metro/Cunningham Fire Rescue Authority
Tax Revenues by Source, Governmental Funds Last Ten Fiscal Years

Fiscal Year	Property Tax	Specific Ownership Tax	Total
2009	\$ 52,535,639	\$ 3,859,914	\$ 56,395,553
2010	55,250,495	3,751,846	59,002,341
2011	55,617,290	3,618,371	59,235,661
2012	50,955,181	3,697,554	54,652,735
2013	51,005,289	3,964,219	54,969,508
2014	51,354,176	4,197,425	55,551,601
2015	51,684,596	4,485,684	56,170,280
2016	53,737,957	4,542,980	58,280,937
2017	54,069,865	5,263,971	59,333,836
2018	71,775,702	6,208,669	77,984,371

Source: Finance Division

South Metro/Cunningham Fire Rescue Authority
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Assessed Value	Personal Assessed Value	Real Actual Value	Personal Actual Value	SMFR Mill Levy	Ratio of Total Assessed to Total Estimate Actual Value	Residential Property Assessment Ratio
2009	4,542,103,830	338,727,850	36,119,905,996	1,166,209,597	9.25	13.09 %	7.96 %
2010	4,795,521,320	484,904,886	38,446,604,585	1,672,075,146	9.25	13.16 %	7.96 %
2011	4,327,704,590	326,572,570	34,906,657,128	1,126,103,040	9.25	12.92 %	7.96 %
2012	4,323,118,690	342,813,740	34,830,938,981	1,182,105,978	9.25	12.96 %	7.96 %
2013	4,367,442,344	377,636,430	35,498,753,463	1,302,186,194	9.25	12.89 %	7.96 %
2014	4,492,201,404	432,556,019	35,928,957,116	1,491,624,062	9.25	13.16 %	7.96 %
2015*	4,850,713,475	544,797,418	40,930,196,129	1,886,348,738	9.25	12.60 %	7.96 %
2016	5,663,707,647	585,259,348	48,575,497,159	2,033,871,376	9.25	12.35 %	7.96 %
2017	5,719,186,598	609,450,211	49,293,495,859	2,101,534,429	9.25	12.31 %	7.96 %
2018**	6,959,830,755	609,646,295	64,769,394,048	2,102,342,901	9.25	11.32 %	7.96 %

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

Note: The 2017 Real Assessed Value includes \$9,824,938 of Assessed Value (Unknown amount of Real Value) that is part of a TIF District Increment

* 2015 and beyond includes Cherry Hills Fire Assessed and Actual values.

**2018 and beyond includes Cunningham Fire Protection District Assessed and Actual values.

Source: Arapahoe and Douglas County Assessors

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

Government	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Cunningham Fire Protection District*	—	—	—	—	—	—	—	—	—	14.6030
Parker Fire Protection District	13.978	13.978	13.978	13.978	13.978	12.978	12.978	—	—	—
South Metro Fire Rescue	9.2500	9.2500	9.2500	9.2500	9.2500	9.2500	9.2500	9.2500	9.2500	9.2500
Cities and Towns										
City of Aurora	10.4940	10.5950	10.6530	10.2900	10.2900	8.8860	8.5690	8.6050	8.6050	8.6050
City of Centennial	5.0470	5.0770	5.1200	5.1290	5.0730	5.0150	5.0300	5.0260	2.0870	5.0030
City of Lone Tree	—	—	—	—	—	—	—	—	—	—
Town of Foxfield	21.8650	21.8650	23.2380	20.4000	20.4000	20.4000	20.4000	20.4000	20.4000	4.9820
Town of Parker	2.6020	2.6020	2.6020	2.6020	2.6020	2.6020	2.6020	2.6020	2.6020	2.6020
Counties										
Arapahoe County	15.6720	15.9490	17.3160	17.1500	17.1300	16.9500	14.8560	14.0390	14.0390	13.3010
Douglas County	19.7740	19.7740	19.7740	19.7740	19.7740	19.7740	19.7740	18.7740	24.2740	24.2740
School Districts										
Cherry Creek School District #5	48.8250	50.4970	54.3670	58.0370	57.4920	56.7020	49.7030	53.2320	49.6870	49.9950
Douglas County School District	46.6810	46.8900	48.7880	48.7270	48.2770	48.2770	42.4390	42.4390	41.0640	44.9500
Littleton Public School	46.0810	55.3890	57.5300	56.9350	56.9850	56.6010	53.4240	53.0300	53.0300	51.1660
Metropolitan Districts										
Canteberry Crossing Metropolitan District #2	38.5000	38.5000	38.5000	38.5000	38.5000	38.5000	38.5000	35.0000	35.0000	38.5000
Chaparral Metropolitan District	11.2850	11.2600	12.0230	13.1720	12.5400	13.5400	12.1500	12.1500	12.4500	14.6470
Cherry Creek South Metropolitan Districts #1-11	20.1140	20.1140	21.9140	21.9140	21.9140	—	—	—	12.5000	52.7750
Columbia Metropolitan District	8.1960	8.1960	8.1960	8.1960	8.1960	4.1960	3.7830	3.7810	3.7810	3.7600
Concord Metropolitan District	48.0000	35.0000	29.0000	29.0000	23.0000	23.0000	20.5000	16.5000	14.5000	11.0000
Copperleaf Metropolitan District No. 2	55.0000	60.0000	60.0000	64.0000	64.0000	64.0000	57.0000	57.0000	58.0160	57.1650
Cottonwood Metropolitan District	8.8000	8.8000	8.8000	8.8000	8.8000	8.8000	8.8000	8.8000	8.8000	8.8000
East Arapahoe Metropolitan District	9.7920	9.7920	9.7920	9.9720	9.7920	9.7920	9.7920	9.7920	9.7920	9.7920
East Smoky Hill Metropolitan District #1	33.0000	39.0000	42.0000	52.0000	52.0000	47.0000	35.5000	31.0000	29.5000	29.5000
East Smoky Hill Metropolitan District #2	15.0000	15.0000	16.5000	16.5000	16.5000	16.5000	16.5000	16.5000	16.5000	16.5000
Goodman Metropolitan District	24.0000	25.0000	28.0000	31.0000	31.0000	33.0000	33.0000	34.0000	27.2500	27.2500
Highline Glen Metropolitan District	23.0000	23.0000	23.0000	20.0000	20.0000	20.0000	20.0000	20.0000	8.0000	—
Inverness Metropolitan District	6.4000	8.7000	8.7200	6.6500	6.3500	6.6500	6.5000	6.7500	6.0500	6.1500
Lincoln Park Metropolitan District	50.0000	50.0000	50.0000	55.0000	59.0000	52.0000	49.5000	49.5000	49.5000	51.5000
Liverpool Metropolitan District	25.0000	25.0000	28.2790	31.9730	28.2790	28.2790	28.2790	28.2790	28.2790	28.2790
Meridian Metropolitan District	39.0780	44.2390	37.9900	44.0000	46.0000	49.0000	50.6820	50.6820	49.9010	49.5100
Parker Jordan Metropolitan District	24.0000	24.0000	23.0000	23.0000	21.5000	21.0000	20.6330	20.6330	19.6330	19.6330
Parker Properties Metropolitan District	23.2350	15.0000	—	—	—	—	—	—	—	—
Piney Creek Metropolitan District	13.6560	13.6560	13.6560	13.6560	13.6560	1.0860	—	—	—	—
Stonegate Village Metropolitan District	27.4020	27.4020	28.9320	27.8030	27.8030	27.8030	25.7380	25.7380	25.7380	25.7380
Tallgrass Metropolitan District	51.0000	53.0000	56.0000	59.0000	60.4750	60.4750	54.0000	42.0000	44.0000	43.0000
Tallgrass Metropolitan District Bonds Only	—	—	53.0000	56.0000	57.4750	57.4750	52.0000	45.0000	42.0000	41.0000
Willow Trace Metropolitan District	37.5000	37.5000	37.5000	37.5000	49.0000	49.0000	39.5000	39.5000	39.5000	39.5000
Other Special Districts										
Arapahoe County Recreation District	0.7950	0.8210	0.9190	0.9190	0.8830	0.8800	0.7740	0.7840	0.7840	0.7350
Arapahoe Library District	4.7830	4.8690	4.9810	4.9030	4.8610	4.7940	5.9160	5.9260	5.9260	5.8130
Arapahoe Park & Recreation District	8.0000	8.0000	8.0000	8.0000	8.0000	8.0000	6.8820	6.8820	6.5950	6.5330
Arapahoe Water & Wastewater District	16.7000	18.1500	22.4000	23.2500	23.2500	22.9500	19.3000	19.3000	18.2000	14.4000
Cottonwood Water & Sanitation District	27.0000	27.0000	27.0000	27.0000	27.0000	27.0000	23.0000	19.0000	16.0000	14.5000
Denver Southeast Water & Sanitation District	—	—	—	—	—	—	—	—	—	—
Douglas County Library District	4.0160	4.0340	4.0370	4.0680	4.0290	4.0320	4.0350	4.0350	4.0160	4.0080
East Cherry Creek Valley Water & Sanitation District	4.9800	5.0450	4.9990	5.0140	5.0080	4.9830	4.2200	—	7.5230	4.6440
Inverness Water & Sanitation District	7.1000	7.3000	7.3000	8.3500	7.8000	6.4500	6.1000	5.2300	4.7500	4.7500
Parker Water and Sanitation District	14.9250	14.9250	10.2140	9.7270	9.7270	9.7270	8.6520	8.6520	7.5000	9.5070
Urban Drainage and Flood Control District	0.5440	0.5230	0.5660	0.5990	0.6080	0.6320	0.5530	0.6110	0.6200	0.7260
Urban Drainage and Flood Control District South Platte	0.0630	0.0610	0.0530	0.0580	0.0640	0.0680	0.0580	0.0610	0.0570	0.0940
Authorities										
Cherry Creek Basin Authority	0.4050	0.4410	0.5000	0.5000	0.5000	0.5000	0.4490	0.4730	0.4730	0.4790
Arapahoe County Law Enforcement Authority	4.9820	4.9820	4.9820	4.9820	4.9820	4.9820	4.9820	4.9820	4.9820	4.9820

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

*South Metro Fire merged with Cunningham Fire Protection District in 2018.

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

Taxpayer	2018			2009		
	Assessed Value	Rank	Per Cent of Total Assessed Value	Assessed Value	Rank	Per Cent of Total Assessed Value
Park Meadows Mall	85,666,890	1	1.09%	\$ 62,144,660	1	1.18 %
HCAHealthone LLC	85,007,280	2	1.09%	49,552,030	2	0.94 %
Kaiser Foundation Hospitals	33,132,810	3	0.42%			
Portercare Adventist Health System	32,898,820	4	0.42%	18,329,450	7	0.35 %
Greenwood Property Corp	32,332,970	5	0.41%	30,450,000	4	0.58 %
CS Lone Tree LLC	28,729,210	6	0.37%			
Denver CB Center 2 LLC	28,502,940	7	0.36%			
Echostart Real Estate Corporation IV	26,480,320	8	0.34%			
GPI Plaza Tower LP	25,024,100	9	0.32%			
Teachers Insurance and Annuity	22,130,580	10	0.28%			
Verizion Wireless				46,119,470	3	0.87 %
Property Colorado OBJLYC				27,550,000	5	0.52 %
Qwest Corp				22,901,700	6	0.43%
Legacy III Centennial LLC				16,965,000	8	0.32 %
CSHV Denver Tech Center				15,080,000	9	0.29 %
5251 DTC Parkway				14,500,010	10	0.27 %
	\$ 399,905,920		5.11 %	\$ 303,592,320		5.75 %

Source: Douglas County Assessor's Office
Arapahoe County Assessor's Office

Note: The Authority began operations in 2009.

**South Metro/Cunningham Fire Rescue Authority
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year	Total Tax Levy	Current Tax Collections	% of Current Taxes Collected	Delinquent Tax Collection	Total Tax Collections	Ratio of Total Tax to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
2009	\$ 53,259,127	\$ 52,735,647	99.02 %	\$ (275,287)	\$ 52,460,360	98.50 %	(1)	(1)
2010	56,096,645	55,974,794	99.78 %	(723,951)	55,250,843	98.49 %	38,301	0.068 %
2011	57,566,618	56,523,150	98.19 %	(905,860)	55,617,290	96.61 %	55,115	0.096 %
2012	52,133,804	51,397,244	98.59 %	(442,063)	50,955,181	97.74 %	141,779	0.272 %
2013	51,790,046	51,289,058	99.03 %	(283,769)	51,005,289	98.48 %	32,664	0.063 %
2014	51,865,957	51,584,734	99.46 %	(230,558)	51,354,176	99.01 %	91,320	0.176 %
2015	51,944,348	51,898,770	99.91 %	(214,174)	51,684,596	99.50 %	125,705	0.242 %
2016	54,129,916	53,737,957	99.28 %	(13,654)	53,724,302	99.25 %	31,830	0.059 %
2017	54,235,662	54,128,981	99.80 %	(59,116)	54,069,865	99.69 %	335,944	0.619 %
2018	72,172,841	71,765,691	99.44 %	10,011	71,775,702	99.45 %	275,428	0.382 %

Source: Parker Fire Protection District, South Metro Fire Rescue and starting in 2018, Cunningham Fire Protection District, Record of Levies and Collections.

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

South Metro/Cunningham Fire Rescue Authority
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business	Total	Per Capita
	General Obligation Bonds	Capital Leases	Certificates of Participation	Type Certificates of Participation	Primary Government	
2009	\$ —	\$ 971,576	\$ 5,222,750	\$ 2,812,250	\$ 9,006,576	\$ 45.49
2010	—	575,764	4,569,500	2,460,500	7,605,764	38.64
2011	—	284,129	3,887,000	2,093,000	6,264,129	32.16
2012	—	132,398	—	—	132,398	0.65
2013	—	46,093	—	—	46,093	0.23
2014	—	—	—	—	—	—
2015	—	—	—	—	—	—
2016	—	—	—	—	—	—
2017	—	—	—	—	—	—
2018	—	—	—	—	—	—

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

Source: Finance Division

South Metro/Cunningham Fire Rescue Authority
Direct and Overlapping Governmental Activities Debt
As of December 31, 2018

	Net Debt Outstanding	Percentage Applicable to District*	Amount Applicable to District
DIRECT:			
South Metro Fire Rescue	—	100 %	—
OVERLAPPING:			
Arapahoe Park and Rec	\$ 5,100,000	50 %	\$ 2,550,000
Arapahoe County Water and Wastewater PID	138,708,997	50 %	69,354,499
Cherry Creek Schools	610,545,000	85 %	518,963,250
Cherry Creek South Metro	1,470,000	100 %	1,470,000
Cherry Creek Vista Park & Rec District	2,440,000	50 %	1,220,000
Copperleaf Metropolitan District No. 2	33,025,000	35 %	11,558,750
Cottonwood Water and Sanitation	1,779,723	100 %	1,779,723
Country Homes Metro District	133,000	100 %	133,000
Douglas County School	283,874,153	50 %	141,937,077
Dove Valley Metropolitan District	45,815,000	100 %	45,815,000
Eagle Bend Metropolitan District	29,080,000	100 %	29,080,000
East Smoky Hill Metropolitan District No. 1	3,200,000	100 %	3,200,000
East Smoky Hill Metropolitan District No. 2	5,213,443	100 %	5,213,443
East Valley Metropolitan District	301,070	100 %	301,070
Estancia Metropolitan District	4,110,000	100 %	4,110,000
Fiddler's Business Improvement District	59,842,953	100 %	59,842,953
Foxfield Metropolitan District	—	100 %	—
Highline Glen Metropolitan District	—	100 %	—
Hills at Cherry Creek Metro District	1,460,000	100 %	1,460,000
Inverness Metropolitan District	2,440,000	100 %	2,440,000
Inverness Water and Sanitation	8,685,316	100 %	8,685,316
Lincoln Park Metropolitan District	31,130,000	100 %	31,130,000
Littleton School District	124,111,195	5 %	6,205,560
Liverpool Metropolitan District	2,192,872	100 %	2,192,872
Meridian Metropolitan District	78,630,000	100 %	78,630,000
North Meridian Metropolitan District	7,235,435	100 %	7,235,435
Panorama Metropolitan District	3,359,166	100 %	3,359,166
Parker Water & Sanitation District	210,119,113	100 %	210,119,113
Piney Creek Village Metropolitan District	5,355,000	14 %	749,700
Saddle Rock Metropolitan District	7,830,000	100 %	7,830,000
Saddle Rock South Metro Districts	13,395,000	100 %	13,395,000
South Meridian Metropolitan District	4,006,593	100 %	4,006,593
South Suburban Parks and Recreation District	3,275,000	20 %	655,000
Sundance Hill Metropolitan District	145,000	100 %	145,000
Southeast Public Improvement	2,685,000	100 %	2,685,000
Stonegate Village Metropolitan District	44,485,000	100 %	44,485,000
Tallgrass Metropolitan District	15,375,000	100 %	15,375,000
Tallyn's Reach Metropolitan Districts	49,882,168	25 %	12,470,542
Town of Foxfield	—	100 %	—
Valley Club Pointe Metro District	5,550,000	100 %	5,550,000
Willow Trace Metropolitan District	7,965,000	100 %	7,965,000
Total Overlapping Debt	<u>\$ 1,853,950,198</u>		<u>\$ 1,363,298,061</u>
Total Direct & Overlapping Debt			<u>\$ 1,363,298,061</u>

(continued)

South Metro/Cunningham Fire Rescue Authority
Direct and Overlapping Governmental Activities Debt
As of December 31, 2018
(Continued)

Source: South Metro/Cunningham Fire Rescue Authority Finance
Various entities provided outstanding debt information
Assessed value data used to estimate the applicable percentages provided by the Assessor's offices of Douglas and Arapahoe Counties

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

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

South Metro/Cunningham Fire Rescue Authority
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year				
	2009	2010	2011	2012	2013
Total Assessed Value	\$ 4,880,831,680	\$ 5,279,058,045	\$ 5,280,486,537	\$ 4,711,414,729	\$ 4,723,283,371
Debt Limit - 50% of total assessed value (1)	2,440,415,840	2,639,529,023	2,640,243,269	2,355,707,365	2,361,641,686
Amount of debt applicable to debt limit	-	-	-	-	-
Less amount available for debt service	-	-	-	-	-
Net amount of debt applicable to debt limit	-	-	-	-	-
Legal debt margin	<u>\$ 2,440,415,840</u>	<u>\$ 2,639,529,023</u>	<u>\$ 2,640,243,269</u>	<u>\$ 2,355,707,365</u>	<u>\$ 2,361,641,686</u>

	Fiscal Year				
	2014	2015	2016	2017	2018
Total Assessed Value	\$ 4,920,392,972	\$ 4,971,618,704	\$ 5,760,702,401	\$ 5,837,254,988	\$ 7,823,668,573
Debt Limit - 50% of total assessed value (1)	2,460,196,486	2,485,809,352	2,880,351,201	2,918,627,494	3,911,834,287
Amount of debt applicable to debt limit	-	-	-	-	-
Less amount available for debt service	-	-	-	-	-
Net amount of debt applicable to debt limit	-	-	-	-	-
Legal debt margin	<u>\$ 2,460,196,486</u>	<u>\$ 2,485,809,352</u>	<u>\$ 2,880,351,201</u>	<u>\$ 2,918,627,494</u>	<u>\$ 3,911,834,287</u>

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

(1) Colorado Revised Statutes.

**South Metro/Cunningham Fire Rescue Authority
Demographic and Economic Statistics
Last Ten Fiscal Years (Douglas County)**

Fiscal Year	Population	Per Capita Income (1)	Median Age	Education Level (2)	School Enrollment (3)	Unemployment Rate
2009	281,386	\$ 54,878	35.0	49.0 %	56,945	6.60 %
2010	286,977	\$ 53,591	36.6	58.0 %	61,465	7.00 %
2011	292,513	\$ 56,623	33.6	NA	63,114	6.10 %
2012	298,698	\$ 60,575	36.6	54.6 %	63,934	6.20 %
2013	306,232	\$ 62,493	36.6	54.6 %	66,000	5.60 %
2014	314,574	\$ 66,088	36.5	55.8 %	67,000	3.40 %
2015	321,964	\$ 67,576	38.5	61.0 %	66,702	2.70 %
2016	328,088	\$ 68,560	36.6	61.0 %	67,000	2.20 %
2017	335,668	\$ 71,208	36.0	57.5 %	68,000	2.50 %
2018	342,776	N/A	38.9	58.0 %	68,880	3.40 %

(1) Douglas County Census, not seasonally adjusted. Current year data is not yet available.

(2) Percentage of population that has attained a Bachelor's Degree or higher.

(3) Douglas County School District

Sources: Federal Reserve Bank of St. Louis, Colorado Division of Local Government Demographics, Douglas County Schools Web Page and U.S Census Bureau- Douglas County

**South Metro/Cunningham Fire Rescue Authority
Demographic and Economic Statistics
Last Ten Fiscal Years (Arapahoe County)**

Fiscal Year	Population	Per Capita Income (1)	Median Age	Education Level (2)	School Enrollment (3)	Unemployment Rate
2009	563,161	\$ 39,604	35.0	49.0 %	56,945	7.70 %
2010	574,762	\$ 40,816	36.6	58.0 %	52,166	8.60 %
2011	585,844	\$ 46,707	36.0	37.5 %	52,589	7.70 %
2012	596,343	\$ 48,431	36.0	38.3 %	53,272	7.20 %
2013	608,209	\$ 49,731	36.0	38.5 %	52,681	7.40 %
2014	618,798	\$ 53,297	35.0	38.8 %	54,226	4.10 %
2015	630,637	\$ 54,476	36.7	39.0 %	54,449	3.20 %
2016	638,571	\$ 55,116	36.1	39.0 %	54,695	2.60 %
2017	644,132	\$ 56,642	35.0	40.7 %	54,178	2.80 %
2018	651,215	N/A	37.1	41.6 %	54,852	3.80 %

(1) Arapahoe County Census, not seasonally adjusted. Current year data is not yet available.

(2) Percentage of population that has attained a Bachelor's Degree or higher.

(3) Cherry Creek School District

Sources: Federal Reserve Bank of St. Louis, Colorado Division of Local Government Demographics, Cherry Creek Schools Web Page, and U.S Census Bureau- Arapahoe County

**South Metro/Cunningham Fire Rescue Authority
Principal Employers
December 31, 2018**

	2018		2009	
	Employees	Rank	Employees	Rank
HealthONE	5,260	1		
Comcast Corporation	5,110	2		
Charles Schwab	4,200	3		
CenturyLink	3,260	4		
Centura Health Corporation	3,070	5		
Kaiser Permanente	2,800	6		
Great-West Financial	2,620	7	1,900	4
DISH Network	2,520	8	6,500	1
Raytheon Company	2,500	9		
Arrow Electronics	1,970	10		
Western Union Fincl Svcs Inc			3,200	2
TW Telecom LP			2,400	3
Fascore Institutional Services			1,541	5
CH2M Hill			1,500	6
Campus Middle School Unit			1,500	7
Richfield Hospitality Inc			1,000	8
Xanterra Holding Corp			1,000	9
Starz Entertainment			1,000	10
	<u>33,310</u>		<u>21,541</u>	

Source: Metro Denver Economic Development Corporation (Arapahoe & Douglas Counties)

Data related to all employers within the Authority is unavailable; cannot calculate percentage of employees

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

Function/Program	Full-time Equivalent Employees									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Field Operations	287.51	287.50	280.75	290.75	283.50	288.22	279.00	301.75	332.00	401.00
Administration	34.80	23.90	23.05	21.20	19.50	19.80	31.50	34.00	35.00	71.00
Community Safety Services	34.28	30.78	27.18	25.68	24.00	17.00	19.00	23.00	28.00	34.00
Fleet Services	10.35	12.15	12.00	11.00	11.00	11.00	10.00	10.00	12.00	14.00
Ambulance *	22.00	18.38	18.54	19.43	20.43	19.43	18.68	22.00	-	-
Total FTE	388.94	372.71	361.52	368.06	358.43	355.45	358.18	390.75	407.00	520.00

Source: South Metro/Cunningham Fire Rescue Authority - Finance Department

* Ambulance FTE's are captured in the Field Operations line from 2017 forward

South Metro/Cunningham Fire Rescue Authority
Operating Indicators by Function/Program
Last Ten Fiscal Years

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Field Operations (in & out of district)										
Fire Calls	347	390	371	352	381	312	382	443	458	587
Emergency Medical Calls	7,626	7,820	8,729	10,131	10,457	11,322	11,458	11,552	12,139	16,375
Alarms	2,147	2,059	2,401	2,272	2,452	2,451	2,325	2,187	2,179	2,837
Others	3,766	3,615	4,257	4,259	4,514	1,873	1,766	1,751	1,442	2,324
Number of hours of firefighter training	15,478	25,351	20,261	45,311	58,910	56,914	65,664	80,035	52,472	51,545
Hours of officer trainings	7,461	3,105	3,731	8,750	8,954	7,443	7,222	5,770	3,761	2,403
Hours of driver/operator trainings	3,978	5,579	2,507	4,471	2,540	681	4,416	3,698	2,035	3,698
Support Services										
Square footage of building maintained	338,322	338,322	338,322	349,091	349,091	320,084	320,084	320,084	320,084	387,846
Life Safety Bureau & Preparedness										
Fire Investigations	141	200	305	267	281	301	286	330	310	474
Plan Reviews	2,741	2,994	3,527	3,662	4,400	4,872	4,877	3,517	4,189	5,879
Construction Inspections	-	-	-	4,973	5,703	7,038	6,772	3,799	5,568	6,502
Business Inspections	11,378	4,568	5,023	5,548	4,218	3,932	2,916	-	3,158	4,308
South Metro Safety Foundation Classes	74	71	83	91	101	92	91	122	163	165
Car seat checks	525	460	417	397	502	386	269	366	326	309
Apparatus/Crew resident attended	13,000	26,000	35,348	25,143	-	26,270	-	-	-	-
Prevention staff community/school students	12,000	31,000	-	11,324	13,256	30,857	-	-	9,847	37,748
Juvenile Fire Setters	23	27	28	34	8	21	16	-	46	21
Fleet Services										
Total number of warranty repairs	25	70	46	28	68	37	62	28	13	44
Total billable shop labor hours	9,038	10,733	12,936	10,393	9,698	9,575	8,574	8,843	9,865	9,939
Shop productivity rate	87.6 %	83.5 %	82.5 %	80.3 %	75.0 %	74.0 %	71.4 %	83.5 %	85.5 %	84.56 %
Total number of repairs	5,404	4,911	3,877	3,273	2,984	2,854	2,501	2,911	3,198	3,153
Ambulance										
EMS Transports (in district only)	5,712	5,789	6,173	6,852	7,089	7,347	7,430	6,226	7,350	9,748
% of Transports to Castle Rock Adventist	-	-	-	-	-	-	-	-	-	1.16%
% of Transports to Centennial Health	-	-	-	-	-	-	-	-	-	0.78%
% of Transports to Childrens Hospital	-	-	-	-	-	-	-	-	-	1.06%
% of Transports to Littleton Hospital	13.00 %	14.80 %	15.34 %	16.76 %	15.93 %	13.03 %	10.42 %	5.00 %	5.05 %	2.42%
% of Transports to Medical Center of Aurora	-	-	-	-	-	-	-	-	-	11.27%
% of Transports to Parker Adventist Hospital	30.50 %	29.53 %	29.18 %	28.75 %	27.78 %	27.85 %	30.86 %	34.00 %	36.65 %	33.78%
% of Transports to Porter Adventist Hospital	1.80 %	1.70 %	1.46 %	1.07 %	1.58 %	1.18 %	1.20 %	1.00 %	1.05 %	0.97%
% of Transports to Rose Medical Center	-	-	-	-	-	-	-	-	-	0.41%
% of Transports to Skyridge Medical Center	40.40 %	39.43 %	39.67 %	39.25 %	41.02 %	43.42 %	43.42 %	47.00 %	52.73 %	40.88%
% of Transports to Southlands Medical	-	-	-	-	-	-	-	-	-	1.14%
% of Transport to Swedish Medical Center	11.80 %	11.78 %	12.30 %	11.10 %	10.07 %	9.21 %	7.50 %	7.00 %	5.81 %	3.81%
% of Transports to University Hospital	-	-	-	-	-	-	-	-	-	1.42%
% of Transports to All Others	-	-	-	-	-	-	-	-	-	0.90%
Collection Rate	63.62 %	62.84 %	57.91 %	54.90 %	53.94 %	54.14 %	55.73 %	52.71 %	51.99 %	72.00%

Source: South Metro/Cunningham Fire Rescue Authority various departments

South Metro/Cunningham Fire Rescue Authority
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Field Operations										
Fire Stations	17	17	17	17	17	17	17	17	17	20
Communication towers	2	2	2	4	4	4	4	4	4	4
Training Facility	1	1	1	1	1	1	1	1	1	1
Driving facility	1	1	1	1	1	1	1	1	1	1
Pumpers	18	18	18	18	19	19	19	18	23	33
Tenders	5	5	5	5	6	6	6	6	6	8
Quints	2	2	2	2	2	1	1	1	-	-
Squirts	2	2	2	2	-	-	-	-	-	2
Aerials	5	5	5	5	6	5	5	7	7	9
ARFF vehicles	3	3	3	3	2	2	2	3	3	3
Chief/Staff vehicles	15	15	15	15	15	15	15	15	16	20
BC Vehicles	6	6	6	6	6	6	6	9	8	14
Wildland vehicles	12	12	12	12	12	12	12	18	19	23
Hazmat vehicles	1	1	1	1	2	2	2	2	2	3
Utility vehicle	1	1	1	1	1	1	1	1	1	1
Snow Cat	1	1	1	1	1	1	1	1	1	1
Dive Unit	-	-	-	1	1	1	1	1	1	2
Heavy Rescue	2	2	2	2	2	1	1	3	2	7
Tow Vehicles	2	2	2	2	2	2	2	2	2	2
Command vehicle	1	1	1	1	1	1	1	1	1	1
Plow/Ladder testing truck	1	1	1	1	1	1	1	1	1	4
Trailers	5	5	5	5	5	15	15	15	20	27
Support Services										
Headquarters buildings	2	2	2	2	2	1	1	1	1	1
Pool vehicles	2	2	2	1	-	1	1	1	1	1
Chief/Staff vehicles	5	5	5	5	5	5	5	5	20	22
Storage locations	2	2	2	2	2	1	1	1	2	2
Fire Marshal										
Pool vehicles	31	31	31	31	4	2	2	2	1	1
Assigned vehicles	-	-	-	-	21	22	22	22	22	25
Fleet Services										
Repair shop	1	1	1	1	1	1	1	1	1	1
Repair vehicles	2	2	2	2	2	2	2	2	3	2
Parts/Warehouse vehicles	-	-	3	3	3	3	3	3	1	1
Pool vehicles	7	7	7	7	11	7	7	7	5	2
IMT Vehicle	1	1	1	1	1	1	1	1	1	3
Lift	1	1	1	1	2	2	2	2	1	9
Overhead crane	-	-	-	-	1	1	1	1	1	1
Ambulance										
Medic units	17	17	17	17	17	17	17	18	22	27
ARM vehicle	-	-	-	-	1	1	1	1	1	1

Source: South Metro/Cunningham Fire Rescue Authority various departments

Note: One station in development stages.