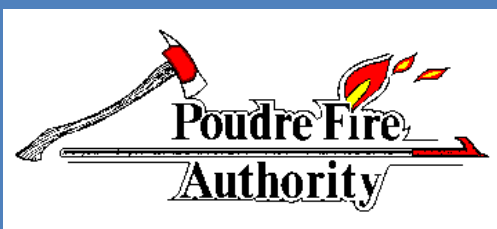


# 2013 Comprehensive Annual Financial Report

Year Ended December 31, 2013

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



# Poudre Fire Authority

## Fort Collins, Colorado

Comprehensive Annual Financial Report

For the fiscal year ended

December 31, 2013

Cover Photograph:

- The Galena Fire above Horsetooth Reservoir – A fast moving grass fire on March 15, 2013, that burned 1,400 acres, required a type 3 incident management team, and lasted for five days.

*Prepared by Poudre Fire Authority Staff:*

*Kirsten Howard, Senior Budget and Board Coordinator*

*Ann Turnquist, Administrative Services Director*

*With assistance from the City of Fort Collins Finance Department:*

*John Voss, Controller*

*Lisa Alexander, Accountant*

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## Letter of Transmittal

June 16, 2014

Poudre Fire Authority Board of Directors

We submit, for your information and review, the Comprehensive Annual Financial Report (CAFR) for the Poudre Fire Authority, Fort Collins, Colorado, for the year ended December 31, 2013. This CAFR will be submitted to the Government Finance Officers Association for consideration of the Certificate of Achievement for Excellence in Financial Reporting. The certificate of achievement from GFOA will assist PFA with compliance in Section 4b, Financial Practices, in the accreditation process.

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

The Intergovernmental Agreement forming the Poudre Fire Authority states in Section 5.2 (Records and Accounts) that the Board shall provide for the auditing of all books and accounts and other financial records of the Authority on an annual basis, with such auditing to be conducted by a certified public accountant. The independent auditor, McGladrey LLP, concluded, based upon the audit, that there was reasonable basis for rendering an unmodified opinion that the PFA's financial statements for the fiscal year ended December 31, 2013 are fairly presented in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A. The PFA's MD&A can be found immediately following the report of the independent audit auditor.

## **Governmental Structure**

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

This joining of forces enables the PFA to take a comprehensive, regional approach to the provision of emergency services. The results since 1981 include improved insurance ratings, lower long-term costs to the taxpayer, enhanced ability to respond to large crises situations, the elimination of duplication of resources, and long-range decision making as set forth in the 1981, 1987, 1995, and 2004 strategic plans. These plans are the product of an extensive process to develop a future vision of community needs and the most efficient and effective means to meet those needs. Staff will be working on a new strategic plan beginning in 2013. The annual budget provides flexibility in the face of community change with annual review of the strategic plan.

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

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

2013 Economic Information. The unemployment rate of 4.7% at the end of 2013 in the Fort Collins area compares well to the State rate of 6.2% and the national rate of 6.7%. The Fort Collins community is vibrant with innovation; craft brewers, software, hardware, bioscience, and clean energy companies contribute inventions, ideas, and products that affect the local economy positively.

The Fort Collins population is growing at approximately 2.6% annually, and the population in the Poudre Valley Fire Protection District is growing at approximately 1.5% annually; the number of residential building permits within the City of Fort Collins grew by 14% in 2013, which all contribute to positive growth in the essential economic indicators for the City and District.

Overall government fund revenue increased 3.9% in 2013. At year-end, the Poudre Fire Authority held \$9,101,484 in unrestricted net position, which is an increase of 17.4% from 2012. Please see page 21 for more information about the Poudre Fire Authority's total net position.

Data-Driven and Transparent. PFA actively embraces transparency, accountability, and continuous improvement. PFA participates with the City of Fort Collins in their Open Book, which is an online tool designed to disclose expenses in a simple and easy to use format ([fcgov.com/openbook](http://fcgov.com/openbook)), and in their Community Dashboard, a new online tool that measures the community's progress in attaining key outcomes. PFA reports two measures; percent of time fire contained to room of origin (80% in 4<sup>th</sup> quarter 2013) and percent of time PFA fire personnel are on scene within 5 minutes 45 seconds (90% in 4<sup>th</sup> quarter 2013). This tool can be accessed at [fcgov.com/metrics](http://fcgov.com/metrics). PFA participates with the City of Fort Collins in the International City/County Managers Association (ICMA) Center for Performance Measurement survey to identify and report key outcome measures. PFA has earned the ICMA Certificate of Excellence in 2012 and 2013, and has applied for the award again in 2014.

Intergovernmental Agreement/Revenue Allocation Formula. PFA has begun to address its large funding challenges by addressing the long-term funding stream provided through the Intergovernmental Agreement's Revenue Allocation Formula (RAF). PFA staff and City staff have been actively working to bring a proposal regarding the RAF to the PFA Board, the Poudre Valley Fire Protection District Board and City Council, which will occur in the second quarter of 2014, with an anticipated implementation date of 2015.

Strategic Plan. PFA staff is developing a Strategic Plan which will guide the Authority over the coming three to five years, and will involve internal and external stakeholders and will include goals and objectives to align the Authority's actions.

Accreditation. A major program initiative in 2014 is the implementation of the Fire Accreditation Program through the Commission of Fire Accreditation International. Currently PFA is in the Applicant Agency status, which places PFA in an 18-month cycle that culminates with a site visit and a final hearing before the Commission. The site visit and hearing will revolve around the Standard of Cover document prepared by PFA staff by completing program self-assessments and gap analysis.

Emergency Medical Services Agreement. – PFA staff is working with the City Attorney's Office to develop an agreement for ambulance services within PFA, which will ensure continued, high quality ambulance services both within the PFA boundaries and in neighboring communities through a contractual agreement.

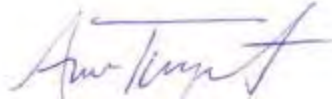
**Other Information:**

PFA acknowledges the dedicated efforts of all officials and City and PFA staff involved in managing and accounting for the PFA's financial operations. The process of financial planning, management, and accounting requires a team effort by the PFA Board of Directors, PVFPD Board of Directors, City Council, and City and PFA staff to be successful. The preparation of this 2013 Comprehensive Annual Financial Report was made possible by the dedicated service of the City's Finance Department as well as PFA Budget staff, who worked many extra hours to ensure the completion of this document while fulfilling other responsibilities over the past few months. PFA would also like to recognize and thank McGladrey LLP, the firm that serves as the PFA's external auditor.

Respectfully submitted,



Tom DeMint  
Fire Chief



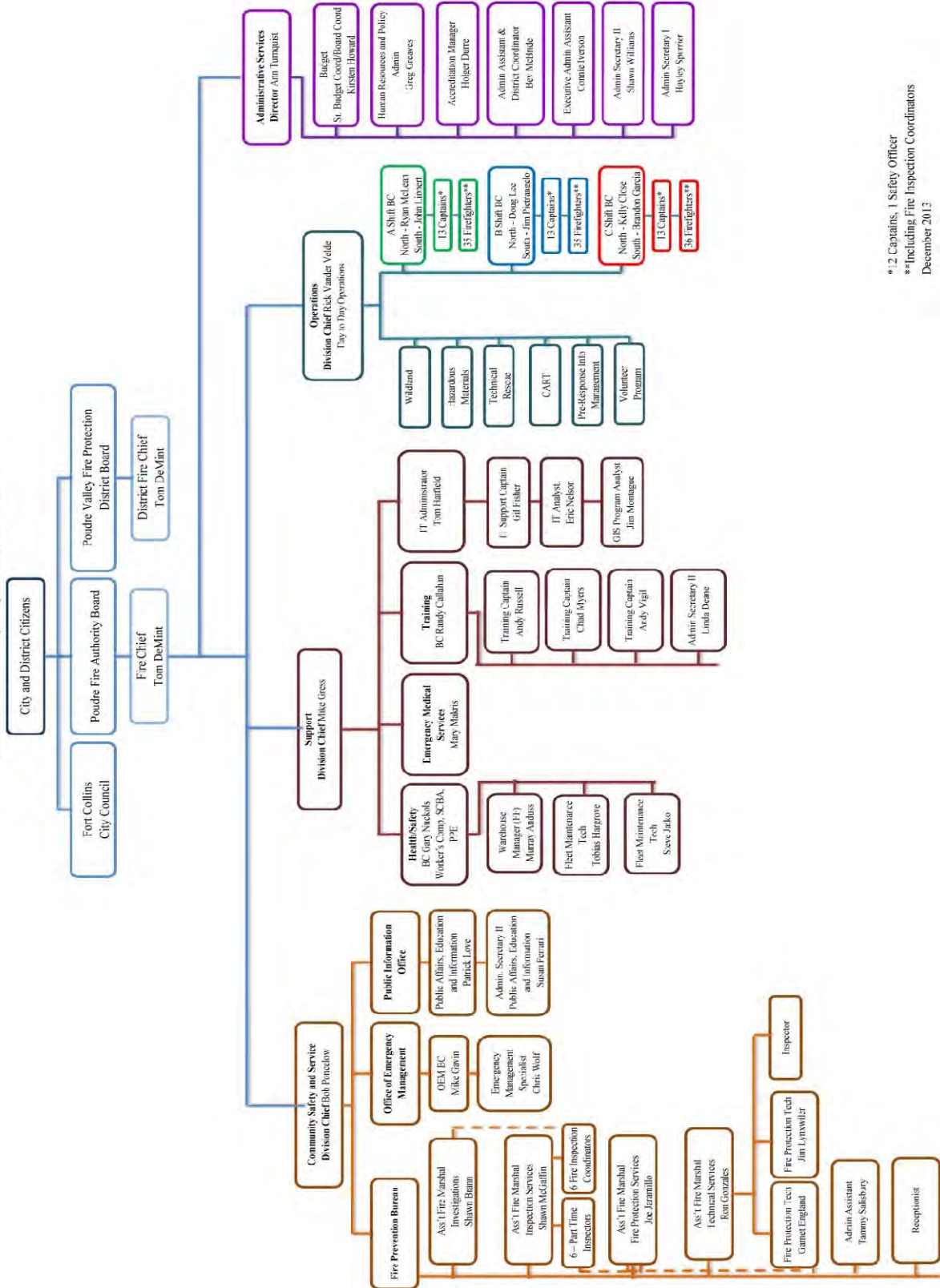
Ann Turnquist  
Administrative Services Director



Kirsten Howard  
Senior Budget & Board Coordinator



# Poudre Fire Authority Organizational Chart



\*12 Captains, 1 Safety Officer  
 \*\*Including Fire Inspection Coordinators  
 December 2013



## Elected Officials and PFA Senior Leadership

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

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

### **Fort Collins City Council**

Karen Weitkunat, Mayor  
Bob Overbeck, Councilmember, District 1  
Lisa Poppaw, Councilmember, District 2  
Gino Campana, Councilmember, District 3  
Wade Troxell, Councilmember, District 4  
Ross Cunniff, Councilmember, District 5  
Gerry Horak, Mayor Pro Tem, Councilmember, District 6

### **Poudre Fire Authority Board of Directors**

Gerry Horak, Chair  
Dave Pusey, Vice Chair  
Lisa Poppaw, Board member  
Darin Atteberry, City Manager, Board member  
Michael DiTullio, Board member

### **Poudre Fire Authority Senior Leadership**

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

# Financial Section

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## Independent Auditor's Report

Board of Directors  
Poudre Fire Authority  
Fort Collins, Colorado

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Poudre Fire Authority (the Authority) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Poudre Fire Authority, as of December 31, 2013, and the respective changes in financial position and, the budgetary comparisons for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 11 through 18 and the Other Postemployment Benefits Plan Schedule of Funding Progress on page 43, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying budgetary comparison schedule for the Capital Projects Fund listed in the table of contents as supplementary information, and the other information, such as the introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

*McGladrey LLP*

Denver, Colorado  
June 13, 2014

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

Poudre Fire Authority (the Authority) offers the readers of the Authority's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended December 31, 2013. In addition to this overview and analysis based on currently known facts, decisions and conditions, the Authority would encourage readers to consider the information presented in the Authority's basic financial statements, which begin on page 21 of this report.

### **Financial Highlights**

The assets of the Authority exceeded its liabilities at the end of the fiscal year ended December 31, 2013 by \$29.2 million (net position). Of the net position balance, \$9,101,484 is unrestricted and is available to meet the Authority's ongoing obligations in accordance with the Authority's fund designations and fiscal policies.

The General Fund, the Authority's primary operating fund, reported an increase of \$648,707 (16.1%) in fund balance.

The Capital Projects Fund reported an increase of \$739,243 (13.1%) in fund balance.

### **Overview of the Financial Statements**

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

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

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

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

The government-wide financial statements distinguish functions of the Authority that are principally supported by intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Authority include administration, operations, and fire prevention. The Authority does not currently have any business-type activities.



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

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

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

Since the focus of the governmental funds is on near-term resources, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. To facilitate this comparison, reconciliations are provided for both the governmental fund balance sheet and the governmental statement of revenues, expenditures, and changes in fund balances.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and the Capital Projects Fund. Both of these funds are considered to be major funds.

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

The basic governmental fund financial statements can be found on pages 23-27 of this report.

Notes to the financial statements. The notes to the financial statements are considered an integral part of the basic financial statements since they provide additional information needed to gain a full understanding of the data provided in both the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-42 of this report.

## Statement of Net Position

The following table reflects the condensed Statement of Net Position.

### **Statement of Net Position** as of December 31

	<u>2013</u>	<u>2012</u>
Current and other assets	\$ 11,874,685	\$10,543,744
Capital assets	22,124,842	23,481,565
Total assets	<u>33,999,527</u>	<u>34,025,309</u>
Current liabilities	2,335,159	2,335,920
Long-term liabilities	2,505,528	2,753,933
Total liabilities	<u>4,840,687</u>	<u>5,089,853</u>
Net position:		
Net investment in capital assets	19,663,811	20,892,066
Restricted	393,545	292,044
Unrestricted	9,101,484	7,751,346
Total net position	<u>\$ 29,158,840</u>	<u>\$28,935,456</u>

For more detailed information see page 21 for the Statement of Net Position.

The largest portion of the Authority's net position (67.4%) reflect its investment in capital assets (e.g., land, buildings, machinery and equipment), less any debt used to acquire those assets that is still outstanding. The Authority uses these capital assets to provide fire 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.

The restricted balance in net position, \$393,545, is for Keep Fort Collins Great revenues received that were not expended in 2013 for fire protection needs voted for by the citizens of Fort Collins.

The balance of unrestricted net position, \$9,101,484, may be used to meet the Authority's ongoing obligations to its citizens and employees.

The Authority's total net position increased by \$223,384 during the current fiscal year.

Changes in Net Position. The following table reflects a condensed summary of activities and changes in net position.

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

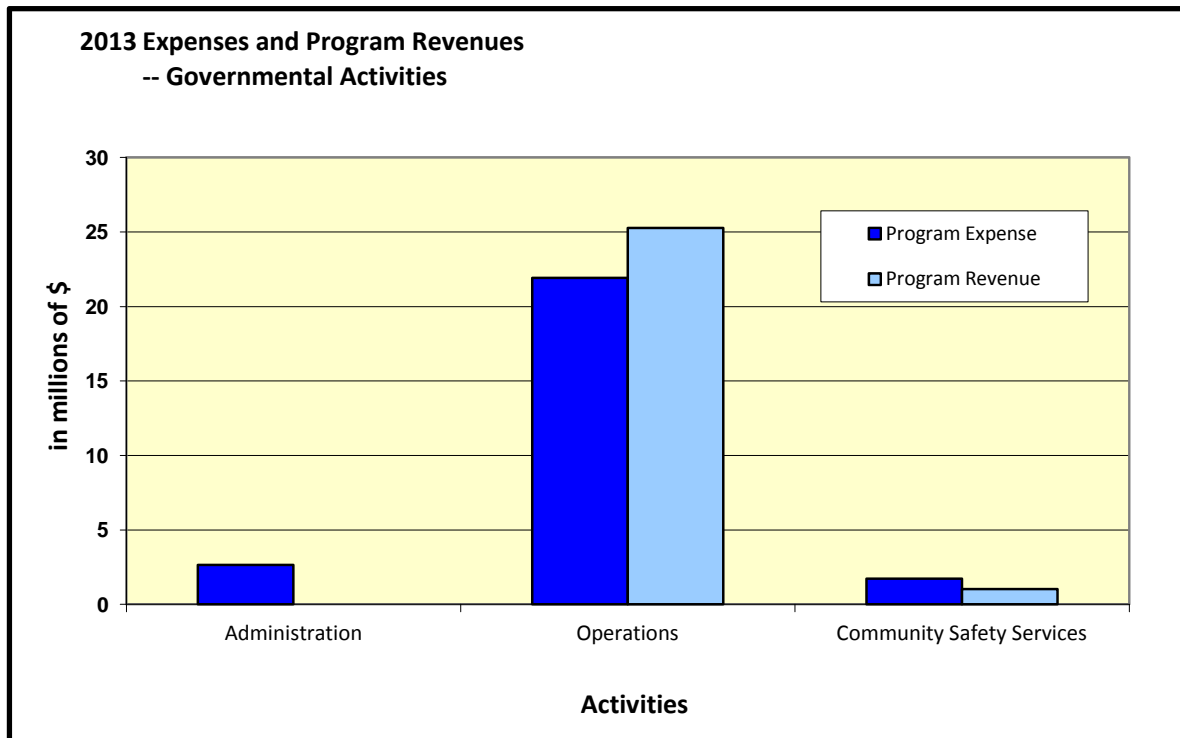
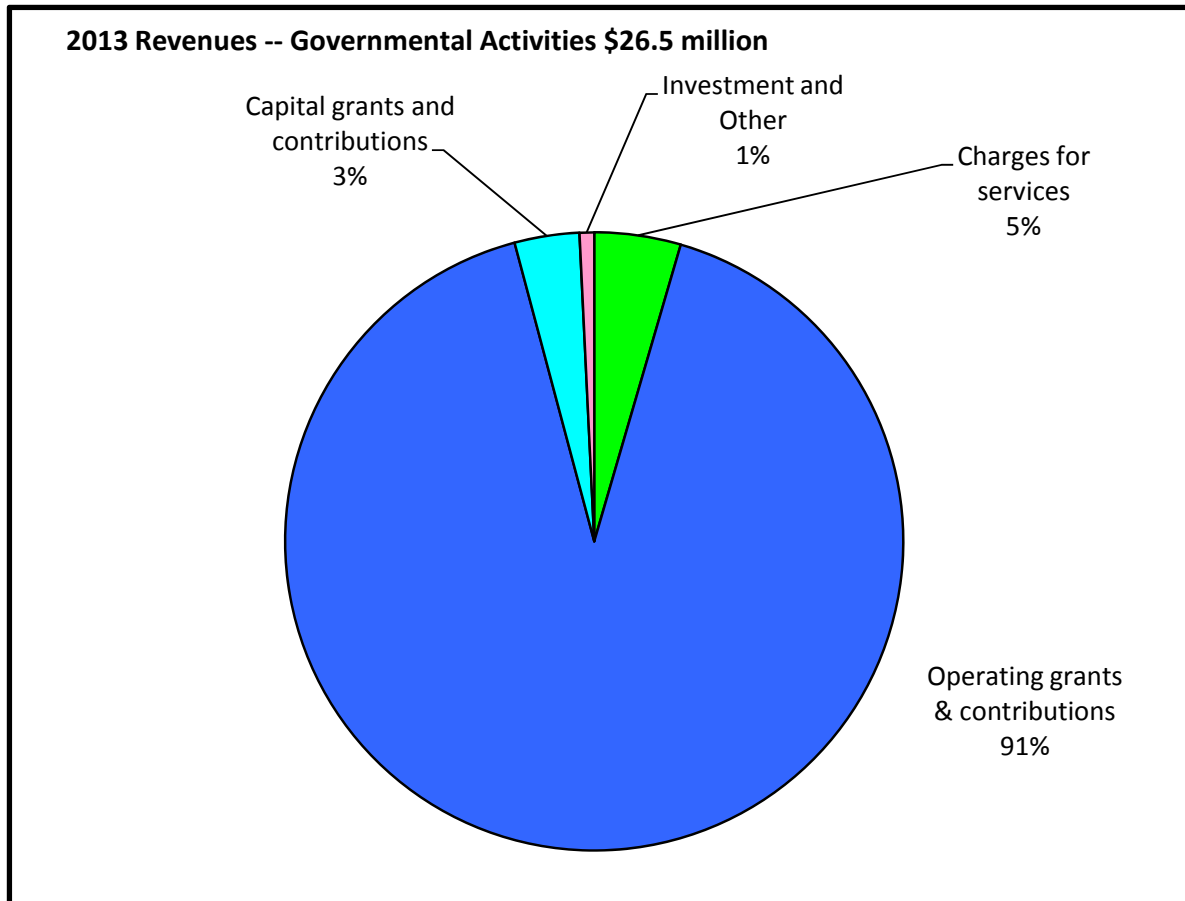
December 31

	<u>2013</u>	<u>2012</u>
Revenues:		
Program revenues:		
Charges for services	\$ 1,197,351	\$ 1,061,526
Operating grants & contributions	24,201,801	23,590,192
Capital grants and contributions	897,105	535,095
General revenues:		
Investment earnings	13,050	113,248
Miscellaneous revenue	189,387	139,351
Total Revenues	<u>26,498,694</u>	<u>25,439,412</u>
Expenses:		
Administration	2,639,426	2,455,928
Operations	21,920,793	21,292,536
Community Safety Services	1,715,091	1,166,013
Total expenses	<u>26,275,310</u>	<u>24,914,477</u>
Change in net position	<u>223,384</u>	<u>524,935</u>
Net position - beginning	28,935,456	28,410,521
Net position - ending	<u>\$ 29,158,840</u>	<u>\$28,935,456</u>

For more detailed information see the Statement of Activities on page 22 of this report.

## Governmental Activities

Governmental Activities increased the Authority's Net Position by \$223,384



## Financial Analysis of the Authority's Funds

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

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

At the end of the current fiscal year, the Authority's governmental funds reported combined ending fund balances of \$11,071,830, an increase of \$1,387,950 in comparison with the prior year. Approximately \$3,053,565 (27.6%) of that amount constitutes unassigned fund balance, which is available for spending at the government's discretion. \$393,545 (3.5%) is restricted fund balance which is to be used specifically for Keep Fort Collins Great initiatives. \$7,624,720 (68.9%) is assigned to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior period.

The general fund is the chief operating fund of the Authority. At the end of the current fiscal year, unassigned fund balance of the general fund was \$3,053,565, restricted fund balance was \$393,545, while the total fund balance equaled \$4,683,103.

The fund balance of the Authority's general fund increased by \$648,707. This was due to higher revenues and expenditures remaining steady with some grant and project expenditures being carried forward to 2014.

The fund balance of the Authority's capital projects fund increased by \$739,243. This is due to funds being appropriated in 2013 for apparatus refurbishment and dispatch console replacement; however, payments were made in 2014; less than anticipated expenditures for hose and thermal imagers; the sale of a pumper engine; and saving program for future radio replacement.

## Budgetary Highlights

### Governmental Funds

General Fund. The increase from the total original budgeted expenditures to the final budget amounted to \$699,699 and can be summarized as follows:

Appropriations of \$699,699 were approved by the PFA Board from reserves, new revenue and grant funds for a contractual position in the Community Safety and Service Division, several multi-alarm fires, a wildland urban interface grant and to cover unanticipated costs of the 2013 Larimer Flood.

General Fund. The total final budgeted expenditures were under the actual expenditures by \$191,690 and can be summarized as follows:

Actual expenditures were less than budgeted due to a frozen appropriation in the Administrative budget, along with positive balances in worker's compensation insurance, contingency and personnel services (due to hiring of a Division Chief mid-year). Expenses in Operations and grant projects offset the positive balance in the Administration budget. Because grant funds are non-lapsing, the expenses and revenues may not occur in the same year which caused a negative balance in 2013. In addition, the Operations budget actual expenditures were higher than budgeted due to apparatus maintenance, fuel and parts; recruit fire academy; warehouse expenses; and fire suppression expenses. The underspend is .77% of actual expenditures and is due in part to a change in budgeting practices suggested by the Board of Directors.

Capital Assets

The Authority's investment in capital assets as of December 31, 2013 amounted to \$22,124,842 (net of accumulated depreciation).

**Poudre Fire Authority Capital Assets**

Net of Depreciation  
as of December 31

	<u>2013</u>	<u>2012</u>
Land	\$ 1,447,824	\$ 1,447,824
Construction in progress	270,048	623,324
Building & improvements	13,677,366	14,104,199
Improvements other than buildings	1,844,793	1,945,475
Machinery & equipment	<u>4,884,811</u>	<u>5,360,743</u>
Total capital assets	<u>\$ 22,124,842</u>	<u>\$ 23,481,565</u>

Additional information on the Authority's capital assets can be found on page 35 of this report.

Long-Term Debt

At the end of the current fiscal year, the Authority had total debt outstanding of \$2,461,031, which consisted of capital lease obligations. The balance decreased by \$128,468 from fiscal year ended December 31, 2012 due to scheduled principal payments. Additional information on the Authority's long-term debt can be found on page 35 of this report.



### Economic Factors

The Authority is impacted by the slow and erratic economic recovery. Sales and use tax collections for the City of Fort Collins, one of the Authority joint venture partners, increased, and the PVFPD property tax collections have ceased to decline which may signal stabilization in property values. Both the City and the District have benefitted from reduced interest rates and a modest increase in housing starts and building activity. An increase in retail sales, especially autos, showed positive growth in specific ownership tax. These and other factors were considered when the Authority prepared its 2014 budget.

### Financial Contact

The Authority's financial statements are designed to provide users (citizens, taxpayers, customers, and creditors) with a general overview of the Authority's finances and to demonstrate the Authority's accountability. Questions concerning any of the information presented in this report or requesting additional information should be addressed to the Authority Administrative Services Director, 102 Remington Street, PO Box 580, Fort Collins, CO 80522-0580.

# **BASIC FINANCIAL STATEMENTS**

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**STATEMENT OF NET POSITION  
DECEMBER 31, 2013**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 1,270,160
Investments	10,376,791
Receivables:	
Interest	28,491
Accounts	199,243
Non-current assets:	
Capital assets (non-depreciable)	1,717,871
Capital assets (net of accumulated depreciation)	<u>20,406,971</u>
Total Assets	<u>33,999,527</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	235,147
Accrued expenses and other	4,193
Wages payable	567,708
Non-current liabilities:	
Due within one year, compensated absences	1,394,389
Due within one year, capital leases	133,722
Due in more than one year, postemployment healthcare obligation	178,219
Due in more than one year, capital leases	<u>2,327,309</u>
Total Liabilities	<u>4,840,687</u>
<b>NET POSITION</b>	
Net investment in capital assets	19,663,811
Restricted for:	
Keep Fort Collins Great Funds	393,545
Unrestricted	<u>9,101,484</u>
Total Net Position	<u>\$ 29,158,840</u>

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

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Functions/ Programs</u>			
	<u>Total</u>	<u>Administration</u>	<u>Operations</u>	<u>Community Safety Service</u>
<b>GOVERNMENTAL ACTIVITIES:</b>				
<b>EXPENSES:</b>				
Personal services	\$ 20,894,007	\$ 1,244,436	\$ 18,160,317	\$ 1,489,254
Contractual services	392,461	96,406	154,385	141,670
Commodities	3,199,097	855,702	2,265,406	77,989
Other	431,562	78,285	353,277	-
Interest	104,858	105,870	(1,012)	-
Depreciation	1,253,325	258,727	988,420	6,178
<b>Total Expenses</b>	<b>26,275,310</b>	<b>2,639,426</b>	<b>21,920,793</b>	<b>1,715,091</b>
<b>PROGRAM REVENUES:</b>				
Charges for services	1,197,351	-	172,516	1,024,835
Operating grants and contributions	24,201,801	-	24,201,801	-
Capital grants and contributions	897,105	-	897,105	-
<b>Total Program Revenues</b>	<b>26,296,257</b>	<b>-</b>	<b>25,271,422</b>	<b>1,024,835</b>
<b>Net Program (Expense)</b>	<b>20,947</b>	<b>\$ (2,639,426)</b>	<b>\$ 3,350,629</b>	<b>\$ (690,256)</b>
<b>GENERAL REVENUES:</b>				
Investment earnings	13,050			
Sale of capital assets	65,145			
Other miscellaneous	124,242			
<b>Total General Revenues</b>	<b>202,437</b>			
<b>Change in Net Position</b>	<b>223,384</b>			
<b>Net Position - January 1</b>	<b>28,935,456</b>			
<b>Net Position - December 31</b>	<b>\$ 29,158,840</b>			

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

**GOVERNMENTAL FUNDS  
BALANCE SHEET  
DECEMBER 31, 2013**

	<u>General</u>	<u>Capital Projects</u>	<u>Total Governmental</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 576,384	\$ 693,776	\$ 1,270,160
Investments	4,683,374	5,693,417	10,376,791
Receivables			
Accounts	196,712	2,531	199,243
Interest	12,427	16,064	28,491
	<u>5,468,897</u>	<u>6,405,788</u>	<u>11,874,685</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts payable	218,086	17,061	235,147
Wages payable	567,708	-	567,708
	<u>785,794</u>	<u>17,061</u>	<u>802,855</u>
Fund Balances			
Restricted	393,545	-	393,545
Assigned	1,235,993	6,388,727	7,624,720
Unassigned	3,053,565	-	3,053,565
	<u>4,683,103</u>	<u>6,388,727</u>	<u>11,071,830</u>
Total Liabilities and Fund Balances	<u>\$ 5,468,897</u>	<u>\$ 6,405,788</u>	<u>\$ 11,874,685</u>

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



**RECONCILIATION OF THE BALANCE SHEET OF THE  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2013**

Amounts reported for governmental activities in the statement of net position (page 21) are different because:

Total fund balances - governmental funds (page 23)	\$ 11,071,830
Capital assets net of accumulated depreciation used in governmental activities are not current financial resources. Therefore they are not reported in the funds.	22,124,842
Compensated absences that are not due and payable in the current period and therefore are not reported in the funds.	(1,394,389)
Long-term liabilities, including unamortized issuance costs and accrued interest payable, are not due and payable in the current period and therefore are not reported in these funds.	
Interest payable	(4,193)
Postemployment healthcare obligation	(178,219)
Capital lease obligations	<u>(2,461,031)</u>
Net position of governmental activities (page 21)	<u>\$ 29,158,840</u>

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

**GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>General</u>	<u>Capital Projects</u>	<u>Total Governmental</u>
<b>REVENUES</b>			
Intergovernmental	\$ 24,040,865	\$ 897,105	\$ 24,937,970
Fees and charges for services	1,197,351	-	1,197,351
Earnings on investments	5,494	7,556	13,050
Licenses and permits	160,936	-	160,936
Miscellaneous revenue	94,602	29,640	124,242
	<u>25,499,248</u>	<u>934,301</u>	<u>26,433,549</u>
<b>EXPENDITURES</b>			
Current:			
Operations	20,109,707	-	20,109,707
Administration	2,345,826	-	2,345,826
Fire prevention	-	-	-
Community Safety Service	1,713,818	-	1,713,818
Grant projects	217,575	-	217,575
Capital outlay	229,277	260,203	489,480
Debt service:			
Principal retirement	128,468	-	128,468
Interest	105,870	-	105,870
	<u>24,850,541</u>	<u>260,203</u>	<u>25,110,744</u>
Excess of Revenues Over Expenditures	<u>648,707</u>	<u>674,098</u>	<u>1,322,805</u>
<b>OTHER FINANCING SOURCES</b>			
Proceeds from sale of capital assets	<u>-</u>	<u>65,145</u>	<u>65,145</u>
Total Other Financing Sources	<u>-</u>	<u>65,145</u>	<u>65,145</u>
Net Change in Fund Balances	648,707	739,243	1,387,950
Fund Balances--January 1	<u>4,034,396</u>	<u>5,649,484</u>	<u>9,683,880</u>
Fund Balances--December 31	<u>\$ 4,683,103</u>	<u>\$ 6,388,727</u>	<u>\$ 11,071,830</u>

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

**RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

Amounts reported for governmental activities in the statement of activities (page 22) are different because:

Net change in fund balances - total governmental funds (page 25)	\$ 1,387,950
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Expenditures for capital assets	249,879
Proceeds from sale of capital assets	(65,145)
Loss on disposal of capital assets	(288,132)
Less current year depreciation	<u>(1,253,325)</u>
	(1,356,723)

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

Change in compensated absences	(52,006)
Change in postemployment health benefits	114,683
Change in interest payable	1,012
Principal payments on capital leases	<u>128,468</u>
	192,157

Change in net position of governmental activities (page 22)	<u><u>\$ 223,384</u></u>
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The notes to the financial statements are an integral part of this statement.

**GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--  
ACTUAL AND BUDGET  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Actual</u>
<b>REVENUES</b>				
Intergovernmental	\$ 24,040,865	\$ 23,641,251	\$ 23,646,251	\$ 394,614
Fees and charges for services	1,197,351	356,085	356,085	841,266
Earnings on investments	5,494	40,000	40,000	(34,506)
Licenses and Permits	160,936	134,358	134,358	26,578
Miscellaneous revenue	94,602	60,500	60,500	34,102
	<u>25,499,248</u>	<u>24,232,194</u>	<u>24,237,194</u>	<u>1,262,054</u>
<b>EXPENDITURES</b>				
Current:				
Operations	20,117,212	19,254,319	19,689,157	(428,055)
Administration	2,368,780	3,209,577	3,067,687	698,907
Community Safety Service	1,730,292	1,619,282	1,821,510	91,218
Grant projects	399,919	25,000	229,523	(170,396)
Debt Service:				
Principal	128,468	128,468	128,468	-
Interest	105,870	105,886	105,886	16
	<u>24,850,541</u>	<u>24,342,532</u>	<u>25,042,231</u>	<u>191,690</u>
Excess of Revenues Over (Under) Expenditures	<u>648,707</u>	<u>(110,338)</u>	<u>(805,037)</u>	<u>1,453,744</u>
Net change in fund balance	648,707	<u>\$ (110,338)</u>	<u>\$ (805,037)</u>	<u>\$ 1,453,744</u>
Fund Balance--January 1	<u>4,034,396</u>			
Fund Balance--December 31	<u>\$ 4,683,103</u>			

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

## **NOTES TO THE FINANCIAL STATEMENTS**

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

An intergovernmental agreement between the City of Fort Collins (the City) and the Poudre Valley Fire Protection District (the District) established the Poudre Fire Authority (the Authority) on January 1, 1982. The agreement conveyed all fire protection property of the City and the District to the Authority and all firefighters of the City and the District became employees of the Authority.

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

#### A. Reporting Entity

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

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

The reporting entity of the Authority consists of its own legal entity and those organizations for which it is financially accountable. Entities for which the nature and significance of their relationship with the Authority are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are included in the reporting entity. As of December 31, 2013, there are no legal entities that meet this criterion.

#### B. Government-wide and Fund Financial Statements

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

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

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

### C. Measurement Focus and Basis of Accounting

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

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

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

### D. Financial Statement Presentation

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

The Authority reports the following major governmental funds:

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

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

### E. Budgetary Data

#### Budgetary Accounting and Control

Appropriated budgets are established for all funds of the Authority.

#### General Fund

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



### Capital Projects Fund

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

### Legal Level of Control

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

### Lapsing Appropriations

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

### Budgetary Procedures

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

Eight resolutions making supplemental appropriations to the original adopted budget were enacted during 2013.

### Encumbrances

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

## F. Assets, Liabilities and Fund Balance/Net Position

### Cash and Investments

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

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

Capital Assets

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

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

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

Compensated Absences

The Authority allows employees to accumulate unused vacation pay and to defer overtime pay by accumulating compensatory leave up to maximum limits. Unused sick pay is not recognized as a liability because it does not meet the criteria for accrual. The liability associated with these benefits is reported in the government-wide financial statements.

Fund Balance/Net Position

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

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

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

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

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

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

In the government-wide fund financial statements, net position is restricted for amounts that are legally restricted by outside parties for specific purposes or through enabling legislation that is a legally enforceable restriction on the use of revenues. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvements of those assets.

The Authority's general fund has a restricted fund balance of \$393,545 for Keep Fort Collins Great taxes received and not spent. The Authority's general fund has the following amounts reported as assigned fund balance: \$744,995 for government operations, \$27,218 for worker's compensation, \$376,016 for NCRCN, and \$87,764 for encumbrances. The Authority's capital projects fund has \$6,388,727, of which \$803,418 is assigned for encumbrances and \$5,585,309 is assigned for capital projects.

### Estimates

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

### NOTE II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

#### Excess of Expenditures Over Appropriations In Individual Funds

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

## NOTE III. DETAILED NOTES ON ALL FUNDS

### A. Deposits and Investments

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

#### Deposits

The carrying amount of the Authority's deposits held by the City of Fort Collins as of December 31, 2013, was \$1,270,160. The bank balance was \$1,412,000.

#### Custodial Credit Risk – Deposits

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

#### Investments

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

- Obligations of the United States such as T-bills, notes and bonds
- Bonds or other interest-bearing obligations of which the principal and interest are unconditionally guaranteed by the United States government, such as GNMA bonds, GNMA participation certificates and GNMA pass throughs.
- Debentures or similar obligations issued by a federal intermediate credit bank or by a bank for cooperatives.
- Notes or bonds secured by mortgages or trust deeds insured pursuant to Title II of the "National Housing Act" (the Act), obligations of national mortgage associations or similar credit institutions organized under Title III of the Act and debentures issued by the Federal Housing Administration under Section 204-A of the Act.
- Repurchase agreements of any marketable security, where the market value of such security is at all times at least equal to the moneys involved and there is assignment of such security to the Authority or its agent.

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

#### Interest Rate Risk

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

## Credit Risk

The Authority's investment policy limits investments to the top three ratings issued by nationally recognized statistical rating organizations (NRSROs). As of December 31, 2013, the Authority's investments in Federal Home Loan Bank (FHLB) agency securities were rated AA+ and AAA by Moody's Investor Service and Standard & Poor's, respectively. The Authority's investment policy also allows for the Authority to invest in local government investment pools.

## Concentration of Credit Risk

The Authority's investment policy places no limit on the amount the City, on behalf of the Authority, may invest in any one issuer. At the end of 2013, the Authority had 97% of its investments in FHLB.

## Custodial Credit Risk for Investments

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

As of December 31, 2013, the City, on behalf of the Authority, had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>		
		<u>Up to 120 days</u>	<u>121 days to 5 years</u>	<u>More than 5 years</u>
U.S. agencies	\$ 844	\$ -	\$ -	\$ 844
Instrumentality				
Federal Home Loan Bank (FHLB)	10,073,055	-	10,073,055	-
Certificates of Deposit	302,892	-	302,892	-
Total Investments Controlled by the City on Behalf of the Authority	\$ 10,376,791	\$ -	\$ 10,375,947	\$ 844
Percent of Total		0.0%	99.99%	0.01%
Reconciliation to Total Deposits and Investments:				
Add:				
Cash on Hand and in Banks	<u>\$ 1,270,160</u>			
Total Deposits and Investments	<u>\$ 11,646,951</u>			

The City, on behalf of the Authority, invests in mortgage-backed securities. Mortgage-backed securities are based on cash flows from interest payments on underlying mortgages. Therefore, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates. If interest rates decline and homeowners refinance mortgages, thereby prepaying the mortgages underlying these securities, the cash flows from interest payments are reduced and the value of these securities declines. Likewise, if homeowners pay on mortgages longer than anticipated, the cash flows are greater and the return on the initial investment would be higher than anticipated.

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

## B. Capital Assets

A summary of changes in capital asset activity for the year ended December 31, 2013 follows:

	Balance, Beginning of Year	Additions	Deletions	Balance, End of Year
<b>Primary Government:</b>				
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 1,447,824	\$ -	\$ -	\$ 1,447,824
Construction in progress	623,324	-	(353,277)	270,047
Total capital assets, not being depreciated	<u>2,071,148</u>	<u>-</u>	<u>(353,277)</u>	<u>1,717,871</u>
Capital assets, being depreciated:				
Buildings and improvements	20,441,953	-	-	20,441,953
Improvements other than buildings	2,118,374	-	-	2,118,374
Machinery and equipment	14,939,769	249,879	(1,865,363)	13,324,285
Total capital assets being depreciated	<u>37,500,096</u>	<u>249,879</u>	<u>(1,865,363)</u>	<u>35,884,612</u>
Less accumulated depreciation for:				
Buildings and improvements	(6,337,754)	(426,832)	-	(6,764,586)
Improvements other than buildings	(172,899)	(100,682)	-	(273,581)
Machinery and equipment	(9,579,026)	(725,811)	1,865,363	(8,439,474)
Total accumulated depreciation	<u>(16,089,679)</u>	<u>(1,253,325)</u>	<u>1,865,363</u>	<u>(15,477,641)</u>
Total capital assets being depreciated, net	<u>21,410,417</u>	<u>(1,003,446)</u>	<u>-</u>	<u>20,406,971</u>
Governmental activities capital assets, net	<u>\$ 23,481,565</u>	<u>\$ (1,003,446)</u>	<u>\$ (353,277)</u>	<u>\$ 22,124,842</u>

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

	<b>Governmental Activities</b>
Operations	\$ 988,420
Administration	258,727
Community Safety Services	<u>6,178</u>
	<u>\$ 1,253,325</u>

## C. Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2013, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Compensated absences	\$ 1,342,383	\$ 1,360,941	\$ (1,308,935)	\$ 1,394,389	\$ 1,394,389
Capital leases	\$ 2,589,499	\$ -	\$ (128,468)	\$ 2,461,031	\$ 133,722

#### D. Long-Term Obligations

Capital Leases. The Authority enters into lease agreements as a lessee for financing the acquisition of land, various machinery and equipment. The capital assets acquired from the lease agreements are included with capital assets and the amortization of leased equipment is included with depreciation in the financial statements. These lease agreements qualify as capital leases for accounting purposes and therefore, have been reflected at the present value of their future minimum lease payments as of the inception date. The Authority had \$2,461,031 of capital leases outstanding as of December 31, 2013.

The following table displays the debt service requirements to maturity for the capital leases described:  
(amounts expressed in thousands)

Year Ending December 31	Capital Lease Payments		Total
	Governmental Activities Principal	Interest	
2014	\$ 134	\$ 101	\$ 235
2015	139	95	234
2016	145	89	234
2017	151	84	235
2018	157	77	234
2019-2023	887	285	1,172
2024-2027	849	88	937
	<u>\$ 2,462</u>	<u>\$ 819</u>	<u>\$ 3,281</u>

Net book value of assets holding at year end that have been acquired under capital leases.

	<b>Governmental Activities</b>
	<u>Balance, End of Year</u>
Buildings and Improvements	\$ 3,551,445
Improve o/t buildings	106,127
Machinery and equipment	<u>84,200</u>
	<u>\$ 3,741,772</u>

#### NOTE IV. OTHER INFORMATION

##### A. Risk Management

##### Property, Liability, and Workers Compensation

The Authority obtains insurance through the City's self-insurance program for a portion of its comprehensive automobile liability, general liability, police liability, and public official liability exposures as well as damage or destruction of property.

The City, on behalf of the Authority, purchases property insurance that has a \$50,000 deductible for most causes of loss including earthquake and flood. Special flood hazard areas of 100 year flooding, as defined by FEMA, have a deductible of 5% of the total insurable value at each location, subject to a minimum of \$500,000 per occurrence. Crime and boiler & machinery coverage has a \$10,000 deductible. Vehicles have a \$100,000 deductible.

In 2013, the City, on behalf of the Authority, purchased liability insurance through a risk retention group called States. This policy has a \$500,000 deductible for all types of liability claims. Coverage limits are as follows:

General, Auto, Law Enforcement & Wrongful Acts Liability – \$3 million/occurrence, \$6 million aggregate.

Public Official Liability - \$3 million each wrongful act, \$6 million aggregate.

Workers' Compensation losses are insured through a standard workers' compensation policy that has a \$1,000 deductible per claim.

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

#### Employee Health and Illness

The employees of the Authority receive comprehensive major medical benefits under two health plan options offered by the City of Fort Collins, up to an aggregate lifetime benefit maximum of \$2 million per participant. Any related actuarial claims for the health plans are retained by the City of Fort Collins. The two options are Preferred Provider Options, PPO City Plans. Stop-loss coverage of \$175,000 per occurrence is retained as excess risk coverage. During the past three years, there have been no claims incurred by the Authority that have exceeded the stop-loss limit.

#### B. Related Party Transactions

Due to the nature of the relationships, the Authority has related party transactions with the entities that created it.

The following transactions occurred during 2013:

City of Fort Collins—As described in Note I, the City of Fort Collins provides funding for the Authority. During 2013, such funding amounted to \$20,118,869. The City also provided accounting and administrative services to the Authority at no charge.

Poudre Valley Fire Protection District—During 2013, the District contributed funds amounting to \$4,335,487.



## C. Pension Plans

### Money Purchase Plan

The Authority offers its firefighters defined contribution money purchase plans created in accordance with Internal Revenue Code Section 401(a). In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the date of employment. The plans require the employer to contribute 8% and employees to contribute 10% of base pay each pay period. Contributions by the Authority are not taxable to the employee until they are withdrawn. Employee contributions are made with pre-tax dollars, and the earnings on the Authority and employee contributions are not taxed until withdrawn. Employees are fully vested upon termination from the plan. Authority and employee contributions to the plan were \$1,074,347 and \$1,335,559, respectively during 2013. The Authority has little administrative involvement and does not perform the investing function for the money purchase plans. Therefore, the assets are not included as part of the financial statements of the Authority.

### Statewide Death and Disability Plan

#### Plan Description

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

#### Funding Policy and Authority Contributions

Members hired on or after January 1, 1997 contribute 2.30% of payroll to this fund. This contribution rate increased to 2.6% effective January 1, 2007 through December 31, 2013. It should be noted that this percentage can vary depending on actuarial experience. Contributions for the employer for the fiscal years 2013, 2012, and 2011 were \$205,000, \$184,232, and \$161,289 respectively.

#### Benefits

Benefits are established by Colorado statute.

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

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

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

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

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

#### Retirement Health Savings Plan (RHS)

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

The RHS plan offers triple tax advantage to employees. Employee contributions are made through pre-tax payroll deductions, are invested in ICMA-RC funds and grow tax-free, and monies can be withdrawn tax-free for qualifying expenses. No federal, state or FICA tax will be withheld. Employees cannot change their elections after their initial enrollment. Once the participant becomes eligible to get reimbursed from their own RHS account, they can turn in receipts to a 3rd party administrator and be reimbursed with tax-free monies. If the employee passes away, the employee's spouse and dependents are automatically eligible to use the account and are reimbursed on a tax-free basis.

#### D. Other Post Employment Benefits

##### Plan Description

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

Funding policy

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

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2013, the Authority contributed \$8,009. Retiree and active members receiving benefits contribute monthly premiums as outlined:

	Core		Advantage		Dental	Vision
	Non-Medicare	Core Medicare	Non-Medicare	Advantage Medicare		
Employee:	\$ 826	\$ 331	\$ 931	\$ 372	\$ 33	\$ 7
Employee +1:	\$ 1,653	\$ 661	\$ 1,859	\$ 744	\$ 60	\$ 13

Annual OPEB Cost and Net OPEB Obligation

The Authority’s annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the components of the Authority’s annual OPEB cost for the year, the amount actuarially contributed to the plan and changes in the Authority’s annual OPEB obligation:

Annual required contribution	\$ 22,638
Interest on net OPEB obligation	6,020
Adjustment to annual required contribution	<u>(135,332)</u>
Annual OPEB cost (expense)	(106,674)
Contributions and payments made	<u>8,009</u>
Increase in net OPEB obligation	(114,683)
Net OPEB obligation - January 1, 2013	<u>292,902</u>
Net OPEB obligation - December 31, 2013	<u><u>\$ 178,219</u></u>

The Authority’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligations for 2013 and the two preceding years follows.

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2011	\$ 16,970	34.6%	\$ 286,153
December 31, 2012	\$ 18,069	62.6%	\$ 292,902
December 31, 2013	\$ (106,674)	-7.5%	\$ 178,219

Funded status and funding progress: Post Employment Benefit Obligations under GASB Statement No. 45 calculated as of December 31, 2011, the most recent valuation date is as follows:

	Total	Members
Actuarial Accrued Liability		
Current retirees, beneficiaries and dependents	\$ 269,858	3
Current active members	-	-
Total Actuarial Accrued Liability (AAL)	<u>269,858</u>	
OPEB Plan Assets	-	
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 269,858</u>	

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

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

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

In the December 31, 2011 actuarial valuation date, projected unit credit method was used. The actuarial assumptions included a 3.5 percent investment rate of return (net of administrative expenses) and an annual health care cost trend rate of 7.2 percent per year, increasing to 7.6 percent for 2013 before grading down to 4.4% over 86 years from 2013. Trends for dental and vision benefits begin at 5 percent, grading to 4.4 percent over 87 years. All three rates include a 3.5 percent inflation assumption. The Authority's unfunded actuarial accrued liability is being amortized as a level dollar amount on an open basis. The remaining amortization period at December 31, 2013, was 15 years.

#### E. Legal Matters

##### Pending Litigation and Grants

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

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

#### Tax, Spending, and Debt Limitations

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

REQUIRED SUPPLEMENTARY INFORMATION

Other Post-Employment Benefits Plan

SCHEDULE OF FUNDING PROGRESS

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Net Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Over funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2011	12/31/11	\$ -	\$ 305,839	\$ 305,839	- %	\$ -	n/a
2012	12/31/11	\$ -	\$ 336,423	\$ 336,423	- %	\$ -	n/a
2013	12/31/11	\$ -	\$ 269,858	\$ 269,858	- %	\$ -	n/a

The information presented in the required supplementary schedule was determined as part of the actuarial valuation date as of December 31, 2011. Additional information follows:

Actuarial cost method: Projected Unit Credit Method  
 Amortization method: 15 years, as a level dollar amount  
 Remaining amortization period: 15 years  
 Asset valuation method: An expected actuarial value is determined equal to a 3.5% discount rate per year. The medical trend rate beginning in 2012 is 7.2% per year pre and post-Medicare eligible increasing to 7.6% for 2013 before grading to 4.4% over 86 years from 2013. Trends for dental and vision benefits begin at 5.0% for 2011, grading to 4.4% over 87 years. The inflation rate assumption is 2.5%.  
 Discount rate: 3.5%  
 Projected pay increases: 0%. The plan was closed to new retirees effective December 31, 2009.

Note: The change in the actuarial accrued liability (AAL) is due to the reallocation of the AAL between the City and the Authority.

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## **SUPPLEMENTARY INFORMATION**



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**CAPITAL PROJECTS FUND  
INDIVIDUAL FUND BUDGET SCHEDULE**

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

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**CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--**  
**ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	<b>Current Year Actual</b>	<b>Prior Year Actual</b>	<b>Cumulative Actual</b>	<b>Budget</b>	<b>Variance</b>
<b>REVENUES</b>					
Intergovernmental	\$ 897,105	\$ 14,069,409	\$ 14,966,514	\$ 13,459,490	\$ 1,507,024
Earnings on investments	7,556	1,528,901	1,536,457	1,110,536	425,921
Miscellaneous revenue	29,640	1,114,474	1,144,114	858,917	285,197
Total Revenues	<u>934,301</u>	<u>16,712,784</u>	<u>17,647,085</u>	<u>15,428,943</u>	<u>2,218,142</u>
<b>EXPENDITURES</b>					
Apparatus Equip Replacement	373	9,157,089	9,157,462	9,736,885	579,423
Future Facilities	6,577	5,372,040	5,378,617	5,553,011	174,394
Burn Building	7,442	294,595	302,036	307,021	4,985
Station 4	43	309	353	-	(353)
Station 8	205	222,412	222,617	544,017	321,400
Station 15	119	47,635	47,754	129,487	81,733
Training Building C	19	6,047	6,066	68,866	62,800
Facilities Maintenance	12,874	192,898	205,772	359,768	153,996
SCBA Replacement	46	81	126	500,000	499,874
Console Replacement	18	32	51	400,000	399,949
Computer/Tech Replacement	108,050	337	108,387	133,000	24,613
Radio Replacement	11,874	-	11,874	100,000	88,126
Hose Replacement	5,382	-	5,382	16,000	10,618
Thermal Imager Replacement	16,850	-	16,850	24,000	7,150
Staff Vehicle Replacement	90,331	-	90,331	90,144	(187)
Total Expenditures	<u>260,203</u>	<u>15,293,475</u>	<u>15,553,678</u>	<u>17,962,199</u>	<u>2,408,520</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>674,098</u>	<u>1,419,309</u>	<u>2,093,407</u>	<u>(2,533,256)</u>	<u>4,626,662</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of capital assets	65,145	18,700	83,845	30,144	53,701
Transfers in					
PFA Operations	-	4,792,326	4,792,326	3,571,326	1,221,000
Total Other Financing Sources (Uses)	<u>65,145</u>	<u>4,811,026</u>	<u>4,876,171</u>	<u>3,601,470</u>	<u>1,274,701</u>
Net Changes in Fund Balance	739,243	<u>\$ 6,230,335</u>	6,969,578	<u>\$ 1,068,214</u>	<u>\$ 5,901,363</u>
Fund Balances--January 1	5,649,484		5,649,484		
Less Prior Years' Project Revenues			(21,523,810)		
Plus Prior Years' Project Expenditures			<u>15,293,475</u>		
Fund Balances--December 31	<u>\$ 6,388,727</u>		<u>\$ 6,388,727</u>		

## Statistical Section

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

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

Net Position by Component.....	Exh. A.....	51
Changes in Net Position .....	Exh. B.....	52
Fund Balances, Governmental Funds .....	Exh. C.....	53
Changes in Fund Balances.....	Exh. D.....	54

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

Revenues by Source, Governmental Funds .....	Exh. E.....	55
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Debt Capacity – This schedule presents information to help the reader assess the affordability of the Poudre Fire Authority's current levels of outstanding debt and its ability to issue additional debt in the future.

Ratio of Outstanding Debt by Type .....	Exh. F.....	56
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Demographic and Economic Information – These schedules offer demographics and economic indicators to help the reader understand the environment within which the Poudre Fire Authority financial activities take place.

Demographic and Economic Statistics.....	Exh. G.....	57
Principal Employers – City of Fort Collins .....	Exh. H.....	58
Full-time Equivalent PFA Employees by Function/Program .....	Exh. I.....	59

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

Operating Indicators by Function/Program.....	Exh. J.....	60
Capital Asset Statistics by Function/Program.....	Exh. K.....	61

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

Exhibit A

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Net investment in capital assets	\$ 14,364	\$ 15,231	\$ 15,883	\$ 16,348	\$ 15,352	\$ 18,982	\$ 19,661	\$ 20,783	\$ 20,892	\$ 19,664
Restricted	3,144	2,426	5,894	-	-	-	-	816	292	394
Unrestricted	1,416	1,823	1,116	6,852	10,606	7,088	7,109	6,812	7,751	9,101
Total governmental activities net position	18,924	19,480	22,893	23,200	25,958	26,070	26,770	28,411	28,935	29,159

Source: The Authority's financial statements.

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

Exhibit B

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
Governmental activities										
Administration	\$ 1,764	\$ 1,811	\$ 1,799	\$ 4,997	\$ 2,062	\$ 2,185	\$ 3,270	\$ 2,409	\$ 2,456	\$ 2,639
Operations	14,180	15,766	16,603	17,969	19,006	18,940	17,740	20,124	21,293	21,921
Fire Prevention/Community Safety Service	852	955	1,037	1,078	1,156	1,203	1,202	1,211	1,166	1,715
Total governmental activities expenses	16,796	18,532	19,439	24,044	22,224	22,328	22,212	23,744	24,915	26,275
<b>Program Revenues</b>										
Governmental activities										
Charges for services	274	320	533	623	633	461	616	882	1,062	1,197
Operating grants & contributions	15,549	17,533	18,183	18,666	19,977	20,544	20,986	23,782	23,590	24,202
Capital grants and contributions	835	862	2,373	867	1,911	1,180	950	535	535	897
Total governmental activities program revenues	16,658	18,715	21,089	20,156	22,521	22,185	22,552	25,199	25,187	26,296
<b>Net (expenses) revenue</b>	(138)	183	1,650	(3,888)	297	(143)	340	1,455	272	21
Governmental activities	(138)	183	1,650	(3,888)	297	(143)	340	1,455	272	21
<b>General revenues</b>										
Investment earnings	64	128	262	501	572	136	129	151	113	13
Capital leases	-	-	-	3,160	-	-	-	-	-	-
Sale of equipment	14	7	24	59	-	-	-	-	-	-
Miscellaneous revenue	90	239	1,477	474	208	121	231	80	139	189
Total governmental activities	168	374	1,763	4,194	780	257	360	231	252	202
<b>Change in net position</b>										
Total governmental activities	\$ 30	\$ 557	\$ 3,413	\$ 306	\$ 1,077	\$ 114	\$ 700	\$ 1,686	\$ 524	\$ 223

Source: The Authority's financial statements.

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

Exhibit C

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General Fund</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 93	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	816	292	394
Committed	190	135	152	72	231	-	-	-	-	-
Assigned	109	109	152	170	99	1,236	787	923	1,643	1,236
Unassigned	1,980	2,501	1,845	2,586	1,598	272	1,516	2,151	2,099	3,054
<b>Total General Fund</b>	<b>2,279</b>	<b>2,745</b>	<b>2,149</b>	<b>2,828</b>	<b>1,928</b>	<b>1,601</b>	<b>2,303</b>	<b>3,890</b>	<b>4,034</b>	<b>4,684</b>
<b>All Other Governmental Funds</b>										
Restricted										
Assigned	3,144	2,426	5,947	8,253	10,041	6,969	6,448	5,413	5,649	6,389
Unassigned	-	-	-	-	-	-	-	-	-	-
<b>Total other governmental funds</b>	<b>\$ 3,144</b>	<b>\$ 2,426</b>	<b>\$ 5,947</b>	<b>\$ 8,253</b>	<b>\$ 10,041</b>	<b>\$ 6,969</b>	<b>\$ 6,448</b>	<b>\$ 5,413</b>	<b>\$ 5,649</b>	<b>\$ 6,389</b>

Source: The Authority's financial statements.



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

Exhibit D

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
Intergovernmental	\$16,383	\$18,395	\$20,556	\$19,533	\$21,888	\$21,724	\$21,936	\$24,020	\$23,856	24,938
Fees and charges for services	180	320	533	498	504	311	439	689	1,083	1,197
Earnings on investments	63	162	227	501	572	136	129	151	113	13
Net increase (decrease) in the fair value of investments	1	(34)	33	-	-	-	-	-	-	-
Licenses and permits	-	-	-	125	129	150	176	193	248	161
Miscellaneous revenue	199	246	1,502	534	208	121	91	80	133	124
<b>Total Revenues</b>	<b>16,826</b>	<b>19,089</b>	<b>22,851</b>	<b>21,191</b>	<b>23,301</b>	<b>22,442</b>	<b>22,771</b>	<b>25,133</b>	<b>25,433</b>	<b>26,433</b>
<b>Expenditures</b>										
Operations	13,059	14,738	15,439	16,503	17,273	17,189	17,193	18,421	19,913	20,110
Administration	1,676	1,745	1,671	1,695	1,769	1,793	1,952	1,954	2,143	2,346
Fire Prevention/Community Safety Service	841	973	983	1,061	1,153	1,182	1,160	1,201	1,151	1,714
Grant projects	180	156	61	19	11	44	176	447	46	218
Capital Outlay	217	1,729	1,772	2,088	1,975	5,397	2,107	2,324	1,571	489
<b>Debt Services:</b>										
Principal retirement	-	-	-	-	105	109	114	119	123	128
Interest	-	-	-	-	128	125	120	116	111	106
<b>Total expenditures</b>	<b>15,973</b>	<b>19,341</b>	<b>19,926</b>	<b>21,366</b>	<b>22,414</b>	<b>25,839</b>	<b>22,822</b>	<b>24,582</b>	<b>25,058</b>	<b>25,111</b>
Excess (deficiency) of revenues over (under) expenditures	853	(252)	2,925	(175)	887	(3,397)	(51)	551	375	1,322
<b>Other financing sources (uses)</b>										
Capital Leases	-	-	-	3,160	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	230	-	7	65
Transfers in	-	-	1,607	-	1,361	924	119	296	870	-
Transfers out	-	-	(1,607)	-	(1,361)	(924)	(119)	(296)	(870)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,160</b>	<b>-</b>	<b>-</b>	<b>230</b>	<b>-</b>	<b>7</b>	<b>65</b>
<b>Net change in fund balances</b>	<b>853</b>	<b>(252)</b>	<b>2,925</b>	<b>2,985</b>	<b>887</b>	<b>(3,397)</b>	<b>179</b>	<b>551</b>	<b>382</b>	<b>1,387</b>
Debt services as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	1.15%	1.16%	1.14%	1.07%	1.01%	0.96%

Source: The Authority's financial statements.

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

Exhibit E

Last Ten Fiscal Years

(modified accrual basis of accounting)

Fiscal Year	City of Fort Collins		FEMA - OEM	NCRCN Radio Maint	Grants	City FC - Cpt Exp Fee - Station 4 Lease/Purchase	Total Intergovernmental Revenues
	2004	\$ 12,669	\$3,450	\$ 26	\$ 71	\$ 167	\$ -
2005	14,561	3,618	15	81	120	-	18,395
2006	16,607	3,780	36	91	43	-	20,557
2007	15,553	3,971	10	-	-	-	19,534
2008	17,409	4,110	28	101	7	233	21,888
2009	17,274	4,031	25	102	57	234	21,723
2010	17,228	4,119	14	147	180	234	21,922
2011	18,812	4,466	18	114	376	234	24,020
2012	19,101	4,335	29	124	32	234	23,855
2013	19,885	4,335	14	134	336	234	24,938

**Note:** Poudre Fire Authority, a consolidated fire department composed of the City of Fort Collins and the Poudre Valley Fire Protection District (PVFPD), receives the majority of its revenue from these two sources. The City of Fort Collins contributes 77.97% of PFA general fund revenue from its property tax and sales and use tax revenue and KFCG sales tax initiative. The PVFPD contributes 17.73% of PFA general fund revenue from its property tax and specific ownership tax. The Poudre Fire Authority does not have legal status to issue bonds.

Source: The Authority's financial statements.

**Ratio of Outstanding Debt by Type**

Exhibit F

Last Ten Fiscal Years

*in thousands*

Fiscal Year	Capital Leases	Personal Income	Percentage of	
			Personal Income	Per Capita
2004	\$ -	\$ 9,045,913	0.0000%	
2005	-	9,583,021	0.0000%	
2006	-	10,356,630	0.0000%	
2007	3,160	11,123,111	0.0284%	0.017
2008	3,055	11,403,488	0.0268%	0.018
2009	2,945	11,194,814	0.0263%	0.017
2010	2,831	11,428,613	0.0248%	0.016
2011	2,713	12,201,220	0.0222%	0.015
2012	2,589	12,826,581	0.0202%	0.014
2013	2,461	-	-	0.013

**Notes:**

- 2013 Personal Income was not available at the time this schedule was prepared.
- In 2008 PFA procured a lease purchase under the debt authority of the PVFPD to build a replacement fire station, and this lease purchase is being repayed using the City of Fort Collins' Capital Expansion fee for Fire. For accounting purposes, this lease is a capital lease.
- The PFA is an independent government entity formed by the City of Fort Collins and the Poudre Valley Fire Protection District, and by itself does not have legal status to issue bonds. The Authority does not have a debt limit; it can incur debts, liabilities, or obligations, provided that no debt, liability or obligation shall constitute a debt, liability or obligation of either the City or the District. Aside from the lease purchase mentioned above, the Authority's policy has been to replace or acquire equipment, apparatus or real property on a cash basis.

Source: Personal Income provided by the Bureau of Economic Analysis.

Calendar Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate	Denver/Boulder Greeley CPI-U	Fort Collins Residential Building Permits
2004	171,533	9,045,913	52,736	4.6%	187.0	1,295
2005	175,198	9,583,021	54,698	4.4%	190.9	979
2006	179,591	10,356,630	57,668	3.9%	197.7	585
2007	164,543	11,123,111	67,600	3.4%	202.0	506
2008	166,343	11,403,488	68,554	5.0%	209.9	385
2009	172,451	11,194,814	64,916	6.6%	208.5	227
2010	178,852	11,428,613	63,900	7.4%	212.4	266
2011	182,975	12,201,220	66,682	6.8%	220.3	431
2012	184,669	12,826,581	69,457	6.4%	224.6	508
2013	187,788	-	-	5.4%	230.8	-

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

**Source:** Personal income and per capital personal income provided by the Bureau of Economic Analysis. Information is update regularly and is subject to change. Data for 2013 was not available at the time this schedule was prepared. Unemployment rate provided by the Colorado Department of Labor and Employment. Population is a compilation from the City of Fort Collins Planning Department population figure and estimate from Poudre Valley Fire Protection District population. CPI is provided by the US Bureau of Labor Statistics - Denver, Boulder, Greeley area is the nearest region.

**Principal Employers - City of Fort Collins**  
2013 and Ten Years Ago

Exhibit H

<b>Employer</b>	<b>Fiscal Year 2013</b>			<b>Fiscal Year 2004</b>		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Colorado State University	7,317	1	8.1%	5,700	1	7.3%
Poudre R-1 School District	4,025	2	4.5%	3,014	3	3.9%
Poudre Valley Health Care Inc.	3,078	3	3.4%	2,300	5	2.9%
City of Fort Collins	1,889	4	2.1%	1,400	6	1.8%
Larimer County	1,566	5	1.7%	1,400	6	1.8%
Hewlett Packard Company	1,312	6	1.5%	-	-	0.0%
Center Partners	1,299	7	1.4%	860	8	1.1%
Woodward Inc	1,291	8	1.4%	-	-	0.0%
Employment Solutions Personnel Serv.	1,242	9	1.4%	4,060	2	5.2%
Avago	852	10	0.9%	-	-	0.0%
Anheiser Busch/Inbev	-	-	0.0%	750	10	1.0%
Agilent Technologies	-	-	0.0%	2,600	4	3.3%
Advanced Energy Industries Inc	-	-	0.0%	779	9	1.0%
<b>Total</b>	<b>23,871</b>		<b>26.6%</b>	<b>22,863</b>		<b>29.3%</b>

Source 2013: QCEW, Third Quarter, 2013

Source 2004: City of Fort Collins Planning Department

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

Exhibit I

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b><u>Administration</u></b>										
Admin Secretary I	1	-	-	-	-	-	-	-	1	1
Admin Secretary II	1	1	1	1	1	1	1	1	1	1
Admin Assistant		-	1	1	1	1	1	1	1	1
Admin Asst & Board Coord	-	-	-	-	-	-	-	-	-	1
Budget Coordinator	1	1	1	1	1	1	1	1	-	-
Senior Budget & Board Coordinatc	-	-	-	-	-	-	-	-	1	1
Captain II	1	1	1	1	1	1	1	1	1	2
Policy & Personnel Admin	-	1	1	1	1	1	1	1	1	1
IT Analyst	1	1	1	1	1	1	1	1	1	1
Admin Service Director	1	1	1	1	1	1	1	1	1	1
Division Chief A	-	-	-	-	-	-	-	-	-	1
Fire Chief	1	1	1	1	1	1	1	1	1	1
<b><u>Community Safety &amp; Service</u></b>										
Admin Secretary II	1	2	1	1	1	1	1	1	1	1
Admin Assistant	-	-	1	1	1	1	1	1	1	1
Fire Prevention Tech - NR*	1	1	1	1	-	-	-	-	-	-
Asst Fire Marshal-NR*	1	1	1	1	2	2	2	2	2	2
40 Hour Firefighter	1	2	2	2	2	2	2	2	2	2
Captain II	2	2	2	2	2	2	2	2	3	3
Emer Mgt Specialist	-	-	-	-	-	-	-	-	-	1
Battalion Chief/Emer Mngr	-	-	-	-	-	-	-	-	-	1
Division Chief A	1	1	1	1	1	1	1	1	1	1
<b><u>Operations</u></b>										
Admin Secretary II	1	-	-	-	-	-	-	-	-	-
Admin Secretary II	1	3	2	2	2	2	2	2	2	1
Fleet Maintenance Tech	1	1	1	1	1	1	1	1	2	2
Mechanic	-	-	-	-	-	-	-	-	-	-
EMS Coordinator	-	1	1	1	1	1	1	1	1	1
GIS Mapping Technician	-	-	-	-	1	1	1	1	1	1
Introductory Firefighter	-	13	-	9	3	1	2	7	12	7
Firefighter II, Tech II	83	80	91	81	87	86	85	87	87	91
Firefighter II, FIC	6	6	6	6	6	6	6	6	6	6
40 Hour Firefighter	1	1	1	1	1	1	1	1	1	1
Captain I	33	36	38	38	38	38	38	38	39	39
Captain II	5	5	5	5	5	5	5	5	3	3
Battalion Chief I (shift)	3	3	3	3	3	3	3	6	6	6
Battalion Chief I (staff)	3	3	3	3	3	3	3	3	3	2
Division Chief A	1	1	1	1	1	1	1	1	1	1
Total Fire Personnel	152	169	169	168	169	166	166	176	183	185

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

Source: Poudre Fire Authority Budget Office.

**Operating Indicators by Function/Program**  
Last Ten Fiscal Years

Exhibit J

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Fire Operations</b>										
Fires/Explosions	862	685	510	418	438	392	390	400	449	379
Rescue / EMS	7,245	7,555	7,828	8,043	8,687	9,160	10,207	11,401	11,799	12,426
Hazardous Condition - no fire	408	356	350	318	289	263	307	400	341	347
Service Call	626	580	599	630	642	808	752	813	904	738
Good Intent Call	1,716	1,884	2,040	2,312	2,318	2,067	1,617	1,263	1,201	1,298
False Alarms / False Calls	1,019	889	951	1,033	1,019	1,105	1,059	1,218	1,192	1,256
Other Requests for Service	56	33	32	30	59	23	30	51	50	31
<b>Total Calls</b>	<b>11,932</b>	<b>11,982</b>	<b>12,310</b>	<b>12,784</b>	<b>13,452</b>	<b>13,818</b>	<b>14,362</b>	<b>15,546</b>	<b>15,936</b>	<b>16,475</b>
<b>Support Services</b>										
Square footage of buildings maintained	129,621	129,621	129,621	142,529	142,529	154,729	154,729	154,729	154,729	154,729
<b>Community Safety &amp; Services</b>										
Fire Investigations	112	44	108	117	134	96	108	143	152	144
Building Plan Reviews	906	428	545	677	409	246	309	303	380	355
Business Inspections	3,013	317	358	686	1,635	2,637	2,364	1,887	4,469	3,880
Fire System Permits/Plan Reviews	320	328	251	284	392	270	304	296	260	220
Car seat checks	602	555	467	623	540	474	354	340	382	-
Public Education Contacts (all ages)	8,113	7,920	7,349	10,043	14,107	14,102	15,952	13,776	12,313	-
<b>Training Operations</b>										
Training Hours (Career Firefighters)	28,558	-	-	-	-	40,765	31,312	33,100	46,758	42,878
Company Training Hours (Career)	-	6,985	6,540	6,509	6,445	-	-	-	-	-

**Source:**

Poudre Fire Authority Annual Reports

**Clarification:**

*Business Inspections, in 2004 Fire Companies performed business inspections, in 2005 the program was transferred to the Fire Prevention Bureau and all inspections were performed by state certified inspectors. Currently, PFA employs six inspectors that complete both the general and fire suppression inspections of all commercial buildings within PFA's jurisdiction.*

*2013 Car Seat Checks and Public Education Contacts (all ages) was not available at the time this schedule was prepared.*

*Training Hours - during years 2005 - 2008 hours were reported based on company training hours; years 2004, 2009 - 2013 are based on total training hours for career firefighters.*

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

Exhibit K

Function/Program	Fiscal Years									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Administration</b>										
Headquarters Building	1	1	1	1	1	1	1	1	1	1
Phone System	-	-	-	-	-	1	1	1	1	1
Staff Vehicles	1	1	1	1	2	2	2	2	2	3
<b>Fire Operations</b>										
Air Truck	1	1	1	1	1	1	1	1	1	1
Battalion Chief Response Vehicle	2	2	2	2	2	2	2	3	3	3
Collapse Truck (Tech Rescue Equipment)	-	-	-	-	-	-	-	-	-	1
Command Post	1	1	1	1	1	1	1	1	1	1
Customer Assistance Response Team Vehicle	-	-	-	-	-	-	1	1	1	1
Dispatch Consoles	2	2	2	2	2	2	2	2	4	4
Engines	17	17	18	17	17	17	18	16	16	15
Fire Stations	13	13	13	13	13	13	13	13	13	13
Hazardous Materials Squad	1	1	1	1	1	1	1	1	1	1
Mechanic Truck	1	1	1	1	1	1	1	1	1	1
Rehab Bus (EMS Rehab for PFA responders)	1	1	1	1	1	1	1	1	1	1
Staff Vehicles	11	11	11	11	11	11	11	14	14	12
Tender (water)	3	3	3	3	3	3	3	3	3	3
Tower/Ladder trucks	4	4	4	4	4	4	5	4	4	4
Training Facility buildings	2	2	2	2	2	2	2	2	2	2
Warehouse Truck	1	1	1	1	1	1	1	1	1	1
Wildland Units	6	6	6	6	6	6	6	7	7	7
<b>Community Safety &amp; Services</b>										
Staff Vehicles	7	7	7	7	7	7	7	7	7	9
Plotter	-	-	-	-	-	-	-	-	1	1

Source: Poudre Fire Authority Budget Office



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