

# CUNNINGHAM FIRE PROTECTION DISTRICT

ARAPAHOE COUNTY, COLORADO

2012



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012

**CUNNINGHAM FIRE PROTECTION DISTRICT  
ARAPAHOE COUNTY, COLORADO**

ADMINISTRATION OFFICES  
2015 S. DAYTON STREET  
DENVER, COLORADO 80247

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012

**BOARD OF DIRECTORS**

|                             |                     |
|-----------------------------|---------------------|
| CHARLES J. WHELAN, III..... | PRESIDENT           |
| NANCY J. CRONK.....         | SECRETARY/TREASURER |
| RICHARD F. WELLS, II.....   | VICE PRESIDENT      |
| PAUL J. HANLEY.....         | VICE PRESIDENT      |
| WILLIAM F. PACKARD.....     | VICE PRESIDENT      |

IRA J. RHODES, FIRE CHIEF

PREPARED BY:  
MICHELLE KELLER  
FINANCE DIRECTOR

# INTRODUCTORY SECTION

LETTER OF TRANSMITTAL

ORGANIZATIONAL CHART

LIST OF PRINCIPAL OFFICIALS

GFOA CERTIFICATE OF ACHIEVEMENT FOR  
EXCELLENCE IN FINANCIAL REPORTING  
FISCAL YEAR ENDED DECEMBER 31, 2012

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# CUNNINGHAM FIRE PROTECTION DISTRICT

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2015 SOUTH DAYTON STREET • DENVER, COLORADO 80247 Phone: (303) 755-9202

May 23, 2013

To the Board of Directors and Citizens of the Cunningham Fire Protection District:

I am pleased to present to you the following 2012 Comprehensive Annual Financial Report for the Cunningham Fire Protection District. Section 29-1-6 of the Colorado Revised Statutes requires that all general purpose local governments with revenues or expenditures exceeding \$500,000 publish and file with the State Auditor's office a complete set of financial statements, within six months of the close of each fiscal year. These financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed, certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Cunningham Fire Protection District for the fiscal year ended December 31, 2012.

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

Cunningham Fire Protection District's financial statements have been audited by CliftonLarsonAllen, LLP a firm of licensed certified public accountants. The goal of the

*Serving the community since 1950*

independent audit was to provide reasonable assurance that the financial statements of the Cunningham Fire Protection District for the fiscal year ended December 31, 2012 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Based upon the audit, the independent auditor concluded that there was a reasonable basis for rendering an unqualified opinion that the Cunningham Fire Protection District's financial statements for the fiscal year ended December 31, 2012 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The Cunningham Fire Protection District did not receive any Federal Grants during fiscal year 2012. The independent audit of the financial statements of the District was not part of a broader federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies.

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

## **PROFILE OF THE GOVERNMENT**

The Cunningham Fire Protection District was legally established in 1950 by court action and in accordance with Colorado Revised Statutes, Title 32, to provide fire protection and emergency medical services. The Cunningham Fire Protection District serves areas located in the southeastern part of the greater Denver metropolitan area, in Arapahoe County, Colorado. Specifically, the District's geographic boundaries primarily encompass the eastern areas of unincorporated Arapahoe County and of the City of Centennial. The District currently serves a land area of 14.6 square miles with a population of approximately 70,000 and responds to about 4,100 calls per year. District facilities include three full time fire stations, an administration building and a quartermaster station. Automatic aid and mutual aid agreements with surrounding agencies, to provide and receive assistance on emergency responses, are a component of the District's operating model.

The Cunningham Fire Protection District is empowered to levy a property tax on both real and personal properties located within its boundaries. A five member, publicly elected Board of Directors governs the District. The Board members are elected on an at-large, non-partisan basis to four year terms, with two or three seats open biennially. The CFPD Board of Directors appoints; the Fire Chief to provide direction, an organizational structure capable of delivering services which meet the CFPD mission statement, and the Finance Director to provide the financial management necessary for delivery of services and to

meet the required compliance under the Local Government Budget Law and the Local Government Audit Law.

Annually, the District prepares a two-year budget for the General Fund and the Transport Fund and updates the 20 year plan in the Capital Improvement Fund. The annual budget serves as the District's foundation for financial planning and control. Although the District presents budgets in a multi-year format, the Local Government Budget Law requires the District's Board of Directors to annually appropriate funds. Financial plans are derived from the five year Strategic Plan, which in turn relies on the Standards of Response Coverage. The Strategic Plan defines goals that impact capital or non-capital expenditures and staff priorities. It is updated annually. Both the Strategic Plan and the Standards of Response Coverage are approved by the Board.

The Board of Directors is required by statute to annually: designate a budget officer (Finance Director), approve the independent auditors report, adopt a budget, set the mill levy, appropriate funds, and certify the mill levy to the County Board of Commissioners. The budget officer prepares the budget in accordance with Local Government Budget Law. Deficit spending is prohibited, however spending fund balance is permitted. Through a vote of the taxpayers, the District is exempt from TABOR spending limits.

The proposed budgets must be presented to the Board of Directors by October 15<sup>th</sup>, notice of budget must then be published and the taxpayers must be notified the proposed budget is available for inspection. After the inspection period, the public must be given an opportunity to comment on the budget at a public hearing. The mill levy must be certified to the County by December 15<sup>th</sup>. Amending a budget requires a similar process of public notice, public hearings and approval through Board resolution. The final requirement is to file a copy of the budget with the Division of Local Government by January 31<sup>st</sup> of the budget year.

## **ECONOMIC CONDITION**

**Long-Term Financial Planning:** The District uses the Capital Improvement Fund budget to schedule long-term capital projects for the next 20 years. The Capital Improvement Fund projections are supported by capital replacement schedules and a capital expenditure analysis. All lease-purchase payments are scheduled in this fund to clearly show long-term commitments.

**Property Tax Based Funds:** The General Fund and the Capital Improvement Fund rely primarily on property tax revenues. In 2012, the District's property tax base values decreased, keeping revenues at 2007 levels. Thus in 2012, the District was operating under a very restrictive budget to meet the financial challenges resulting from declining property values. General Fund expenditures were restricted to 2007 levels because the projected revenues were comparable to 2007. Even with these restrictions, the expenditures were in excess of the current year revenues and reserves were used to maintain service levels.



The District experienced a small increase in the property tax base for the 2013 budget, but the tax base not near prior levels. Property value reduction is the result of national and state economic conditions affecting all governments. Although there are signs of recovery, the entire process of property valuation through actual tax collection will delay the full effect of recovery until 2016. In the interim, new construction or significant tenant finishes will improve the property tax base. It is expected that interest rates will stay low and interest income will be insignificant for the next two years. Contrary to the revenue picture, the Denver/Boulder CPI continues to increase. Thus the District is caught between two opposing economic forces; one decreasing revenues and the other increasing expenditures. The forecast shows expenditures will exceed revenues for a few years. Given the nature of fire protection, there is no reduction in service demand during a slow economy, thus the District intends to maintain service levels. Although every effort has been made to contain costs, fund balance must be used to support operations for the next few years.

In the Capital Improvement Fund a remodel of Station 63 was scheduled for 2011. The project was started but is now scheduled for completion in 2013, thus the amount re-appropriated in 2013. The Capital Improvement Fund purchased a new fire engine in 2012 with a capital lease. The two previously mentioned major projects are consistent with District's commitment to service levels. The Capital Improvement Fund's other significant purpose is to repay lease-purchase financing obligations.

**Fund Balance:** The District developed a strong fund balance during good economic periods and will rely on those reserves to maintain service levels. However, the District Board and management are very aware of the limits and risks with reliance on fund balance to sustain operations.

**Fee Based Fund:** The Transport Fund relies primarily on fees, but has been fortunate to receive State EMS grants to fund capital projects. In 2011, the District received a 50% matching grant to purchase an ambulance. The ambulance was delivered in 2012 costing slightly more than the District's 50% grant match. In addition to applying for grants, the District continues to look for ways to improve the financial performance of this fund. In 2011, the District entered into two agreements with State of Colorado agencies to improve collections and reduce costs. The District contracted with the State of Colorado Payport to accept credit card payments on transport bills. Payport offers lower credit card processing fees and passes the fees on to the card holder. The District began using the State Central Collections Agency to collect past due accounts. Central Collections has excellent resources and results with collection costs charged to the debtor. These agreements have proven to reduce costs and increase collections.

**Finance Project:** In 2012, the District received, for the first time, the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for the 2012 Budget and the Certificate of Achievement for Excellence in Financial Reporting for its 2011 Comprehensive Annual Financial Report (CAFR). For the District's stakeholders, the revised reports enhance the understanding of the District's finances and operating environment.

Receiving the GFOA awards is a significant contribution toward the goal to receive and to maintain accreditation as a fire agency. On August 2, 2012 the District achieved accreditation from the Commission on Fire Accreditation International, joining an esteemed group of approximately 160 fire departments world wide as an accredited agency. The accreditation process has helped the District become more transparent, improve processes, and push towards continuous improvement.

### **ACKNOWLEDGEMENTS**

I would like to express my appreciation to the members of the staff of the Finance Director at the Cunningham Fire Protection District who so consistently and accurately contributes to the efficient operation of this office: Kathlien Greenwood, Kristi Skowronski and Ellyn VanBockel. Also contributing to this effort on accounting for compensation and benefits, is Dori Chuvarsky, the Human Resources Administrator for the District. Credit is also given to Fire Chief Rhodes and the Board of Directors for their unfailing support for maintaining the highest standards of professionalism in the management of the Cunningham Fire Protection District.

Respectfully submitted,

A handwritten signature in black ink that reads "MKeller". The signature is written in a cursive, flowing style.

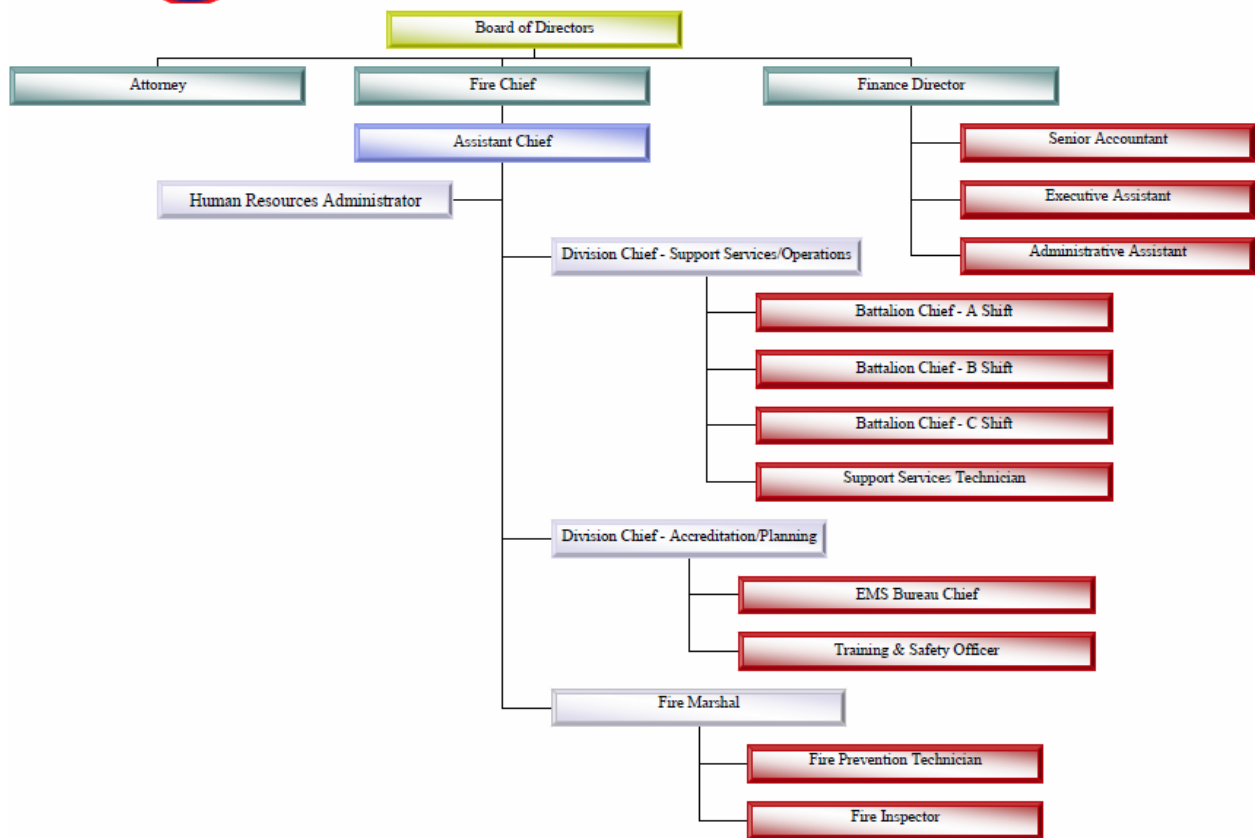
Michelle M. Keller  
Finance Director

## ORGANIZATIONAL STRUCTURE

Cunningham Fire Protection District is a special district, organized and controlled by the Colorado Special District Act. It is governed by a five member Board of Directors. The Board is elected by registered voters who are residents or taxpayers of the District.



## Cunningham Fire Protection District Organization Chart



# LIST OF PRINCIPAL OFFICIALS

## NAMES AND TITLES OF ELECTED AND APPOINTED OFFICIALS

### ELECTED BOARD OF DIRECTORS

C.J. WHELAN, III, PRESIDENT  
NANCY J. CRONK, SECRETARY/TREASURER  
RICHARD F. WELLS, II, VICE PRESIDENT  
PAUL J. HANLEY, VICE PRESIDENT  
WILLIAM F. PACKARD, VICE PRESIDENT

### APPOINTED OFFICIALS

|                  |                    |
|------------------|--------------------|
| FIRE CHIEF       | IRA J. RHODES      |
| ASSISTANT CHIEF  | MICHAEL K. WALTERS |
| FINANCE DIRECTOR | MICHELLE M. KELLER |
| DIVISION CHIEF   | DAVID B. MARKHAM   |
| DIVISION CHIEF   | ALAN F. FLETCHER   |

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## Cunningham Fire Protection District, Colorado

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Christopher P. Mouill*

President

*Jeffrey R. Emer*

Executive Director

## **FINANCIAL SECTION**

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Cunningham Fire Protection District  
Arapahoe County, Colorado

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Cunningham Fire Protection District, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the entity'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.

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of Cunningham Fire Protection District as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison 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 III-XI 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 Cunningham Fire Protection District's basic financial statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Capital Improvements Fund; Schedule of Revenues, Expenditures and Changes in Funds Available – Budget and Actual (Budgetary Basis) – Transport Fund; and Schedule of Reconciliation of Budgetary Basis (Actual) to Statement of Revenues, Expenses and Changes in Net Position – Transport Fund listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory section and statistical section 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.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
May 23, 2013



## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Cunningham Fire Protection District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2012. We encourage readers to consider the information presented here in conjunction with the District's basic financial statements.

### Financial Highlights

- ❖ Total assets exceeded total liabilities by \$12,221,891 at the close of the fiscal year. Of this amount, \$6,681,368 is unrestricted and available to meet ongoing and future obligations of the District including its share of capital projects. \$100,000 of net position is restricted solely for capital projects.
- ❖ As of the close of the current fiscal year, the District's governmental funds reported an ending fund balance of \$7,040,866. Of this, \$4,234,776 is unassigned.
- ❖ The net position based on governmental-type activities decreased by \$410,930, and net position based on business-type activities increased \$47,710 as compared to last year.
- ❖ Total cash and investments decreased by \$334,513 as compared to last year, and net investment in capital assets increased \$44,366.
- ❖ Property tax revenues collected decreased by \$156,347 as compared to last year.
- ❖ General fund expenditures, exclusive of transfers to other funds, decreased \$271,907 as compared to last year.
- ❖ Capital Improvement Fund expenditures increased by \$409,777 as compared to last year. Most of the increase is attributed to the purchase of a new engine for \$402,844.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of 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 fiscal periods.

Both of the government-wide financial statements distinguish functions of the District that will be principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees (business-type activities). In the *statement of net position* and the *statement of activities*, we divide the District into these two kinds of activities:

- ❖ Governmental activities-Most of the District's basic services are reported here, including fire prevention and fire suppression and emergency medical response.
- ❖ Business-type activities-The District charges a fee to cover most of the cost to provide emergency medical transport to a hospital.

The government-wide financial statements can be found on pages 1-2 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. The District has two kinds of funds, governmental and proprietary, which use different accounting approaches.

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

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

As required by state law, the District adopts an annual appropriated budget for its funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. Budgetary comparison schedules for the Capital Improvements Fund and the Transport Fund have been provided as supplemental information.

The basic governmental fund financial statements can be found on pages 3-6 of this report.

**Proprietary funds.** Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information. In fact, the District's enterprise fund (a type of proprietary fund) statements provide the same type of information as the government-wide financial statements, but provide more detail and additional information, such as the *statement of cash flows*.

The *statement of cash flows* reports cash and cash equivalent activities for the fiscal year resulting from operating activities and financing activities. The net result of these activities added to the beginning of the year cash balance reconciles to the cash and cash equivalent balance at the end of the current fiscal year. Contrary to the other basic financial statements, this statement is prepared on the cash basis.

The basic proprietary fund financial statements can be found on pages 7-9 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 10-24 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain supplemental information. The supplemental information can be found on pages 26-28 of this report.

### **Government-wide Financial Analysis**

The District's overall net position decreased in 2012 by \$363,220, primarily due to the decrease in assessed valuation which in turn reduced the amount of property tax revenue. At December 31, 2012, assets exceeded liabilities by \$12,221,891. Property tax revenue is the District's largest source of funding. In 2012, property tax receipts decreased \$156,347, about 2% as compared to 2011. This is a continuation of the decreased or stagnant housing values that started in 2010. While overall expenses were reduced by \$111,383 in 2012, expenses still exceeded revenues. Service demands require that basic operating levels continue; while increases in the Consumer Price Index (CPI) increase the basic operating costs. Reductions in expenses were achieved primarily through personnel cost reductions. Budget stabilization and service delivery were accomplished by reducing the net position by 2.9%.

The largest portion of the District's net position is in cash and investments, \$7,652,603 as of December 31, 2012. The decrease in net position can be seen in cash and investments which reduced by \$334,513 as compared to 2011. Cash and investments are used to meet spending needs in the first quarter of the subsequent year, prior to receipt of property taxes. Cash and investments are also financial reserves for events beyond District control, such as: contingencies, emergencies (see Note 8) and budget stabilization.

Capital assets, less related debt is \$5,180,523 as of December 31, 2012 and is a significant portion of net position. Capital assets, net of accumulated depreciation, increased by \$173,172. The most significant capital addition for 2012 was the purchase of a new engine; associated with this transaction was the trade-in of an older engine. During 2012, \$133,954 was added to the construction in process for the remodel of Station 3. At Station 3, a hot water tank was replaced for \$5,450; this was apart from the remodel costs. The Transport Fund acquired a new ambulance costing \$165,549 and received a state grant of \$80,459 to assist with the purchase. The ambulance and the corresponding grant revenue both positively impact the District's net position. The reason for the decrease in government-wide capital assets was primarily depreciation expense of \$554,752. The District uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.

Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay these obligations must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

However, investing in replacement or refurbishment of capital assets often reduces the amount of operating expense and out of service time for repairs and maintenance. This is especially true for fire engines and ambulances.

The related debt on the above mentioned capital assets was \$1,555,276 at the end of 2012. Capital leases increased by a net \$128,806 because a new lease for \$399,651 less principal payments on other existing leases. The total liability for compensated absences increased \$163,806 from 2011 due to changes in employee demographics and eligibility policies. Please refer to the sections on “Capital Assets” and “Long-Term Debt” for further discussion.

#### NET POSITION

|  | Governmental<br>Activities |                      | Business-type<br>Activities |                   | Total                |                      |
|--|----------------------------|----------------------|-----------------------------|-------------------|----------------------|----------------------|
|  | <u>2012</u>                | <u>2011</u>          | <u>2012</u>                 | <u>2011</u>       | <u>2012</u>          | <u>2011</u>          |
| Current and other assets                           | 15,300,015                 | 15,488,070           | 697,096                     | 760,869           | 15,997,111           | 16,248,939           |
| Capital assets                                     | <u>6,374,637</u>           | <u>6,310,861</u>     | <u>361,162</u>              | <u>251,766</u>    | <u>6,735,799</u>     | <u>6,562,627</u>     |
| Total assets                                       | <u>21,674,652</u>          | <u>21,798,931</u>    | <u>1,058,258</u>            | <u>1,012,635</u>  | <u>22,732,910</u>    | <u>22,811,566</u>    |
| Long-term liabilities outstanding                  | 2,222,186                  | 1,929,574            | -                           | -                 | 2,222,186            | 1,929,574            |
| Other liabilities                                  | <u>8,269,442</u>           | <u>8,275,403</u>     | <u>19,391</u>               | <u>21,478</u>     | <u>8,288,833</u>     | <u>8,296,881</u>     |
| Total liabilities                                  | <u>10,491,628</u>          | <u>10,204,977</u>    | <u>19,391</u>               | <u>21,478</u>     | <u>10,511,019</u>    | <u>10,226,455</u>    |
| Net Position                                       |                            |                      |                             |                   |                      |                      |
| Net investment in capital assets                   | 4,819,361                  | 4,884,391            | 361,162                     | 251,766           | 5,180,523            | 5,136,157            |
| Restricted for emergencies                         | 260,000                    | 259,512              | -                           | -                 | 260,000              | 259,512              |
| Restricted for capital equipment<br>and facilities | 100,000                    | 100,000              | -                           | -                 | 100,000              | 100,000              |
| Unrestricted                                       | <u>6,003,663</u>           | <u>6,350,051</u>     | <u>677,705</u>              | <u>739,391</u>    | <u>6,681,368</u>     | <u>7,089,442</u>     |
| Total net position                                 | <u>\$ 11,183,024</u>       | <u>\$ 11,593,954</u> | <u>\$ 1,038,867</u>         | <u>\$ 991,157</u> | <u>\$ 12,221,891</u> | <u>\$ 12,585,111</u> |

The net position restricted for emergencies are subject to external restrictions on how they may be used. Net position restricted for capital equipment and facilities and the repayment of capital leases payable are held in the Capital Improvement Fund. Unrestricted net position may be used to meet the government’s ongoing obligations to its citizens and creditors. Unrestricted net position are generally used to meet the operating expenditures of the first quarter of the subsequent year.

#### Governmental Activities

Governmental activities decreased the District’s net position by \$410,930. The fund balance for the governmental funds decreased \$180,305. The reduction in both net position and fund balance are the result of decreased property tax revenues and increased costs of goods and services. Financial reserves that are unrestricted or unassigned serve as a buffer to avoid a reduction in services when economic conditions necessitate supplementing revenues. The fund balance assigned to public safety activities, \$839,139, is intended for 2013 operations; this was approved by the Board of Directors through the 2013 Budget. The remaining unassigned fund balance is sufficient, provided that economic conditions continue to improve.

The comparisons of 2012 to 2011 in the next two paragraphs apply to both net position and fund balance. The difference in the decrease in net position versus fund balance is attributed to the accounting for compensated absences, capital leases and capital assets. Specific information can be found in Notes 4 and 5. For more information on the basic financial statements, please refer to the previous “Overview of the Financial Statements.”

Overall governmental revenues decreased by \$111,071 from 2011. The major categories with increased revenues were: Specific ownership taxes which increased \$31,268 and permit fees which increased by \$29,253. Increases in specific ownership tax collections and permit fees are indicators that the economy is improving. As previously mentioned, property taxes collections decreased by \$156,347. Investment earnings decreased by \$1,808 because certificates of deposit renewed at lower rates and because less funds available for investment. Miscellaneous income decreased by \$2,216. Miscellaneous income is considered to be a non-recurring source of revenues and is not comparable from year to year.

In view of the decreased revenues, every effort was made to control expenses. Governmental activity expense was reduced by \$151,133 over 2011. Public safety expenses decreased a net \$142,278. Within public safety, 77% of the expenses are for General Fund personnel services which decreased by \$282,994 through temporary vacancy savings. All other General Fund expenses within public safety increased, with the largest increase in Support services for \$48,903, followed by Fire operations for \$44,881 and then Fire Administration \$16,392. The remaining categories of public safety saw expenses increase by \$9,237. In general, the increases were the result of increases in the basic costs of supplies, minor equipment, services and utilities. There were no new programs added during the year.

In the Capital Improvement Fund, the capital outlay increased by \$427,047 primarily for the purchase of a new engine. In governmental activities, interest and fiscal charges decreased \$17,270 due to declining interest payments on the capital leases. Depreciation expense is not a discretionary expense and therefore is not subject to spending controls other than to avoid investment in capital projects. Depreciation expense decreased \$10,754.

**CHANGE IN NET POSITION  
GOVERNMENTAL ACTIVITIES**

|   | <b>Year Ended December 31,</b> |                      |
|---|--------------------------------|----------------------|
|   | <u><b>2012</b></u>             | <u><b>2011</b></u>   |
| <b>Revenues</b>                             |                                |                      |
| Program revenues                            |                                |                      |
| Permit fees                                 | \$ 77,527                      | \$ 48,274            |
| Total program revenues                      | <u>77,527</u>                  | <u>48,274</u>        |
| General revenues                            |                                |                      |
| Property taxes, levied for general purposes | 7,897,240                      | 8,053,587            |
| Specific ownership taxes                    | 517,737                        | 486,469              |
| Investment earnings                         | 32,869                         | 34,677               |
| Gain on sale of asset                       | -                              | 11,221               |
| Miscellaneous                               | 7,164                          | 9,380                |
| Total general revenues                      | <u>8,455,010</u>               | <u>8,595,334</u>     |
| Total revenues                              | <u>8,532,537</u>               | <u>8,643,608</u>     |
| <b>Expenses</b>                             |                                |                      |
| Public safety                               | 8,885,450                      | 9,027,660            |
| Interest and fiscal charges                 | 58,017                         | 66,940               |
| Total expenses                              | <u>8,943,467</u>               | <u>9,094,600</u>     |
| <b>Change in Net Position</b>               | (410,930)                      | (450,992)            |
| <b>Net position - Beginning</b>             | <u>11,593,954</u>              | <u>12,044,946</u>    |
| <b>Net position - Ending</b>                | <u>\$ 11,183,024</u>           | <u>\$ 11,593,954</u> |

## Business-type Activities

The business-type activities net position increased by \$47,710. There was very little change in the transport fund operating revenues with a small increase in operating revenues for ambulance transports in the amount of \$7,967. The charges for services increased by \$5,810 and the uncollectible amounts decreased \$2,157. A state grant for \$80,459 to purchase an ambulance substantially improved transport fund revenues for 2012. Expenses, exclusive of bad debt expense, increased \$39,750. The greatest change was in repairs and maintenance which increased \$13,179 due to various factors. Many areas experienced minor increases including depreciation expense, supplies, public education, training, and personnel services with a combined increase in expenses of \$30,594. Purchased services decreased by \$4,023 due to changes in collections services. The net position of the Transport Fund improved in 2012 and 2011 because of state funded Capital Grants which enabled the District to purchase equipment.

### CHANGE IN NET POSITION BUSINESS-TYPE ACTIVITIES

|                                  | <u>Year Ended December 31,</u> |                   |
|----------------------------------|--------------------------------|-------------------|
|                                  | <u>2012</u>                    | <u>2011</u>       |
| <b>Revenues</b>                  |                                |                   |
| Program revenues                 |                                |                   |
| Ambulance transports             | \$ 977,166                     | \$ 969,199        |
| Capital grants and contributions | 80,459                         | 25,205            |
| Total revenues                   | <u>1,057,625</u>               | <u>994,404</u>    |
| General revenues                 |                                |                   |
| Gain on sale of asset            | -                              | 9,000             |
| Investment earnings              | 1,076                          | 520               |
| Total general revenues           | <u>1,076</u>                   | <u>9,520</u>      |
| Total revenues                   | 1,058,701                      | 1,003,924         |
| <b>Expenses</b>                  |                                |                   |
| Ambulance transports             | <u>1,010,991</u>               | <u>971,241</u>    |
| <b>Change in Net Position</b>    | 47,710                         | 32,683            |
| <b>Net position - Beginning</b>  | <u>991,157</u>                 | <u>958,474</u>    |
| <b>Net position - Ending</b>     | <u>\$ 1,038,867</u>            | <u>\$ 991,157</u> |

## General Fund Budgetary Highlights

As previously discussed, the District budgeted reductions in reserve levels. Positive budget variances improve financial reserve levels. There was a net positive variance from budgeted amounts to actual amounts in fund balance of \$610,714. This was the result of favorable variances in estimated beginning fund balance and significantly less total expenditures. The beginning fund balance had been budgeted to be \$5,560,674; 2011 closed with \$5,594,985. Total revenues had a small negative variance of \$21,256. The total actual revenues were \$8,105,923 and final budgeted revenues of \$8,127,179. Property taxes were \$101,742 less than budgeted, which is attributed to property tax refunds and abatements. All other revenues were higher than budgeted. The largest positive variance in revenues was in Permit fees which was \$52,527 more than anticipated.

The budgeted expenditures were \$8,838,006 with actual expenditures of \$8,240,347 producing a savings of \$597,659. The largest favorable variance of \$351,576 was in personnel services and caused by vacancy savings. Some of the vacant positions were filled later in 2012. Benefit costs were also reduced as a result of the vacancy savings. Health care costs were contained at renewal. Most of the other budget areas had positive variances, significantly in: Fire Administration, \$45,580; Fire Operations, \$44,035 and Training, \$37,809. In general, savings were found in supplies, repairs and outside services. There were no negative variances. Contingency reserves of \$75,000 were not used.

The Other Financing (Uses) shows transfers of \$50,000, which went to the Capital Improvement Fund. The transfer to the Capital Improvement Fund will be used for the purpose of funding anticipated projects in 2012. The transfer of funds does not reduce the District's net position, since the Capital Improvement Fund purchases capital assets.

## **Capital Assets and Long-Term Obligations Administration**

### **Capital Assets**

The District's investment in capital assets at December 31, 2012, amounts to \$6,735,799 - net of accumulated depreciation. This investment in capital assets includes land, buildings and improvements, apparatus and vehicles and other equipment. There were few capital asset additions during the year, but the projects were significant: a new engine \$402,844, a new ambulance \$165,549 and construction-in-process on the station 3 remodel \$133,954.

Additional information on the District's capital assets can be found on page 19 of this report.

### **Long-Term Obligations**

As of December 31, 2012, the District has three capital leases payable totaling \$1,555,276, excluding interest. On September 30, 2012 the District made the final payment on lease funding to remodel Station 1. On October 3, 2012, the District entered into a capital lease obligation, with a "turn-in" option, in the amount of \$399,651 for the purchase of a new fire engine. The lease offers lower payments in the first four years and then options in the fifth year for trade-in (turn-in), refinancing or making a balloon payment. The flexibility of the lease, the pricing of the apparatus approved for turn-in and the timing of the payments made the turn-in lease a good choice.

On January 31, 2006, the District entered into a lease for \$1,813,026. The primary purpose of this lease was to fund the construction of the Smoky Hill Station; therefore, the Smoky Hill Station is the only collateral for the lease. This is a 15-year lease with the last payment due on January 31, 2021. The balance due at December 31, 2012 was \$1,127,539.

Another lease was entered into on March 13, 2008, to complete the acquisition of new fire apparatus. The principal was \$525,000 payable over 5 years, with the final payment due on March 13, 2013. The balance due at December 31, 2012 was \$28,084.

Additional information on the District's long-term obligations can be found on page 20 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

The District's assessed valuation for the 2013 budget year increased 0.6% from 2012. New construction is the source of the increase in value. The assessed valuation for the 2014 budget year will be based on the latest revaluation cycle which ended June 30, 2012. Housing values were still low during the last valuation cycle. It is expected that for the 2014 and 2015 budgets, the assessed valuation for existing homes will decrease, but that new construction, which has started to improve, will offset the decrease. Thus the assessed valuation is not expected to change much for 2014. New construction and property improvements will be the source of any increase in assessed valuation for 2015. The current recovery of the housing market will affect the assessed valuations for 2016 and 2017.

The Colorado Legislative Council released "Focus Colorado: Economic and Revenue Forecast" on March 18, 2013. This forecast discusses state revenues, national and state economic trends, with further discussion on nine regions within Colorado. It is available online at: <http://www.colorado.gov/cs/Satellite/CGA-LegislativeCouncil/CLC/1200536133919>. The District is in the Metro Denver Region which is discussed on pages 55 through 57 of that report. Since the District is primarily residential, the sections that discuss housing are of particular interest followed by the job market.

Starting late in 2012 and continuing into 2013, there was strong improvement in residential housing and some improvement in non-residential construction. Multi-family residential should also increase because apartment vacancies are low and rents are high. The western part of Cunningham Fire Protection District has potential for multi-family housing and will benefit from the demand for housing near Denver. Currently the supply of houses for sale is much less than the demand which is increasing the values and encouraging new construction. The eastern part of the District has open tracts of land for new residential development. This area offers buyers excellent schools and quick access to E470, DIA and retail centers. The increase in permit fees supports the anticipated new construction in the District. Some of the factors which could slow the residential housing market include: higher interest rates, higher unemployment or higher construction costs. Please see pages 44 through 47 of the above mentioned Legislative Council Economic Forecast for additional information on the real estate and construction forecast.

While the outlook is positive, the costs of providing services are expected to rise over the next three years. In 2011, the CPI increased 3.7% and in 2012 the CPI increased 1.9%. The preliminary first quarter 2013 Denver-Boulder CPI increase is between 2.2% to 2.8%. For the next few years, the District will have to manage increasing costs and service demands against total revenues which are close to 2007 levels.

Maintaining service levels in a difficult environment will be a challenge, but senior staff is confident the District is well positioned to meet that challenge. Most importantly, the District has built up reserves. The net assets in the government-wide financials decreased, but the District was able to close the year with favorable budget variances. This will allow the District to budget reductions in fund balance for 2013 and 2014 without impairing the District. However, budgets will be at minimum and it may be necessary to allow and accept more contingency expenditures for equipment repairs or replacements as asset lives are extended beyond the normal range.



## **BASIC FINANCIAL STATEMENTS**

**CUNNINGHAM FIRE PROTECTION DISTRICT**  
**STATEMENT OF NET POSITION**  
**December 31, 2012**

|   | <b>Governmental<br/>Activities</b> | <b>Business -<br/>Type<br/>Activities</b> | <b>Total</b>         |
|---|------------------------------------|---|----------------------|
| <b>ASSETS</b>   |                                    |   |                      |
| Cash and investments  | \$ 7,188,005                       | \$ 464,598                                | \$ 7,652,603         |
| Prepaid expenses  | 76,646                             | -   | 76,646               |
| Receivables:  |                                    |   |                      |
| Property taxes, net of allowance for<br>uncollectible taxes of \$75,000 | 7,980,895                          | -   | 7,980,895            |
| Insurance   | 9,543                              | -   | 9,543                |
| Other governments   | 32,894                             | -   | 32,894               |
| Other, net of allowance for doubtful<br>accounts of \$234,666           | -                                  | 244,530                                   | 244,530              |
| Internal balances   | 12,032                             | (12,032)                                  | -                    |
| Capital assets not being depreciated:                                   |                                    |   |                      |
| Land  | 664,882                            | -   | 664,882              |
| CIP   | 148,519                            | -   | 148,519              |
| Capital assets being depreciated:                                       |                                    |   |                      |
| Buildings and improvements  | 4,159,452                          | -   | 4,159,452            |
| Apparatus and vehicles  | 870,139                            | 361,162                                   | 1,231,301            |
| Other equipment   | 531,645                            | -   | 531,645              |
| Total assets  | <u>21,674,652</u>                  | <u>1,058,258</u>                          | <u>22,732,910</u>    |
| <b>LIABILITIES</b>  |                                    |   |                      |
| Accounts payable  | 140,216                            | 19,391                                    | 159,607              |
| Accrued wages   | 138,038                            | -   | 138,038              |
| Deferred revenue  | 7,980,895                          | -   | 7,980,895            |
| Interest payable  | 10,293                             | -   | 10,293               |
| Long-term liabilities:  |                                    |   |                      |
| Due within one year:  |                                    |   |                      |
| Compensated absences  | 245,124                            | -   | 245,124              |
| Capital leases payable  | 193,445                            | -   | 193,445              |
| Due within more than one year:  |                                    |   |                      |
| Compensated absences  | 421,786                            | -   | 421,786              |
| Capital leases payable  | 1,361,831                          | -   | 1,361,831            |
| Total liabilities   | <u>10,491,628</u>                  | <u>19,391</u>                             | <u>10,511,019</u>    |
| <b>NET POSITION</b>   |                                    |   |                      |
| Net investment in capital assets  | 4,819,361                          | 361,162                                   | 5,180,523            |
| Restricted for:   |                                    |   |                      |
| Emergency reserves  | 260,000                            | -   | 260,000              |
| Capital equipment and facilities  | 100,000                            | -   | 100,000              |
| Unrestricted  | 6,003,663                          | 677,705                                   | 6,681,368            |
| Total net position  | <u>\$ 11,183,024</u>               | <u>\$ 1,038,867</u>                       | <u>\$ 12,221,891</u> |

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

**CUNNINGHAM FIRE PROTECTION DISTRICT**  
**STATEMENT OF ACTIVITIES**  
Year Ended December 31, 2012

| <u>Functions/Programs</u>                  | <u>Expenses</u>         | <u>Program Revenues</u>     |   | <u>Net (Expense) Revenue and Changes in Net Position</u> |                                 |                        |
|--|-------------------------|-----------------------------|---|--|---------------------------------|------------------------|
|  |                         | <u>Charges for Services</u> | <u>Capital and Operating Grants and Contributions</u> | <u>Governmental Activities</u>                           | <u>Business-Type Activities</u> | <u>Total</u>           |
| Governmental activities:                   |                         |                             |   |  |                                 |                        |
| Public safety                              | \$ 8,885,450            | \$ 77,527                   | \$ -  | \$ (8,807,923)   | \$ -                            | \$ (8,807,923)         |
| Interest and fiscal charges                | 58,017                  | -                           | -   | (58,017)   | -                               | (58,017)               |
| Total governmental activities              | <u>8,943,467</u>        | <u>77,527</u>               | <u>-</u>  | <u>(8,865,940)</u>                                       | <u>-</u>                        | <u>(8,865,940)</u>     |
| Business-type activities                   |                         |                             |   |  |                                 |                        |
| Ambulance transports                       | 1,010,991               | 977,166                     | 80,459  | -  | 46,634                          | 46,634                 |
| Total business-type activities             | <u>1,010,991</u>        | <u>977,166</u>              | <u>80,459</u>   | <u>-</u>   | <u>46,634</u>                   | <u>46,634</u>          |
| <br>Total government                       | <br><u>\$ 9,954,458</u> | <br><u>\$ 1,054,693</u>     | <br><u>\$ 80,459</u>                                  | <br><u>(8,865,940)</u>                                   | <br><u>46,634</u>               | <br><u>(8,819,306)</u> |
| General revenues:                          |                         |                             |   |  |                                 |                        |
| Taxes:                                     |                         |                             |   |  |                                 |                        |
| Property taxes, levied for general purpose |                         |                             |   | 7,897,240  | -                               | 7,897,240              |
| Specific ownership taxes                   |                         |                             |   | 517,737  | -                               | 517,737                |
| Investment earnings                        |                         |                             |   | 32,869   | 1,076                           | 33,945                 |
| Miscellaneous                              |                         |                             |   | 7,164  | -                               | 7,164                  |
| Total general revenues                     |                         |                             |   | <u>8,455,010</u>   | <u>1,076</u>                    | <u>8,456,086</u>       |
| Change in net position                     |                         |                             |   | (410,930)  | 47,710                          | (363,220)              |
| Net position - Beginning                   |                         |                             |   | 11,593,954   | 991,157                         | 12,585,111             |
| Net position - Ending                      |                         |                             |   | <u>\$ 11,183,024</u>                                     | <u>\$ 1,038,867</u>             | <u>\$ 12,221,891</u>   |

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

**CUNNINGHAM FIRE PROTECTION DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2012**

|  | <u>General</u>       | <u>Capital<br/>Improvements</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--|----------------------|---------------------------------|---|
| <b>ASSETS</b>                              |                      |                                 |   |
| Cash and investments                       | \$ 5,550,606         | \$ 1,637,399                    | \$ 7,188,005                            |
| Receivables:                               |                      |                                 |   |
| Property taxes                             | 7,552,251            | 428,644                         | 7,980,895                               |
| Insurance                                  | 9,543                | -                               | 9,543                                   |
| Other governments                          | 32,894               | -                               | 32,894                                  |
| Prepaid items                              | 76,646               | -                               | 76,646                                  |
| Due from other funds                       | 12,032               | 44,423                          | 56,455                                  |
|  | <u>\$ 13,233,972</u> | <u>\$ 2,110,466</u>             | <u>\$ 15,344,438</u>                    |
| <b>LIABILITIES AND FUND BALANCES</b>       |                      |                                 |   |
| <b>LIABILITIES</b>                         |                      |                                 |   |
| Accounts payable                           | \$ 88,699            | \$ 51,517                       | \$ 140,216                              |
| Accrued wages                              | 138,038              | -                               | 138,038                                 |
| Deferred revenue                           | 7,552,251            | 428,644                         | 7,980,895                               |
| Due to other funds                         | 44,423               | -                               | 44,423                                  |
| Total liabilities                          | <u>7,823,411</u>     | <u>480,161</u>                  | <u>8,303,572</u>                        |
| <b>FUND BALANCES</b>                       |                      |                                 |   |
| Nonspendable                               |                      |                                 |   |
| Prepaid items                              | 76,646               | -                               | 76,646                                  |
| Restricted                                 |                      |                                 |   |
| Emergency reserves                         | 260,000              | -                               | 260,000                                 |
| Capital equipment                          | -                    | 100,000                         | 100,000                                 |
| Assigned                                   |                      |                                 |   |
| Public safety activities                   | 839,139              |                                 | 839,139                                 |
| Capital equipment and facilities           | -                    | 1,530,305                       | 1,530,305                               |
| Unassigned                                 | <u>4,234,776</u>     | <u>-</u>                        | <u>4,234,776</u>                        |
| Total fund balances                        | <u>5,410,561</u>     | <u>1,630,305</u>                | <u>7,040,866</u>                        |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b> | <u>\$ 13,233,972</u> | <u>\$ 2,110,466</u>             |   |

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund balance sheet.

|                          |                    |
|--------------------------|--------------------|
| Capital assets           | 11,483,059         |
| Accumulated depreciation | <u>(5,108,422)</u> |
|                          | <u>6,374,637</u>   |

Some liabilities, including leases payable, accrued interest payable and compensated absences, are not due and payable in the current period and, therefore, are not reported in the fund balance sheet.

|   |                      |
|---|----------------------|
| Capital leases payable                  | (1,555,276)          |
| Interest payable                        | (10,293)             |
| Compensated absences                    | <u>(666,910)</u>     |
|   | <u>(2,232,479)</u>   |
| Net position of governmental activities | <u>\$ 11,183,024</u> |

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

**CUNNINGHAM FIRE PROTECTION DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - GOVERNMENTAL FUNDS  
Year Ended December 31, 2012**

|  | <u>General</u>      | <u>Capital<br/>Improvements</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--|---------------------|---------------------------------|---|
| <b>REVENUES</b>  |                     |                                 |   |
| Property taxes   | \$ 7,475,437        | \$ 421,803                      | \$ 7,897,240                            |
| Specific ownership taxes                               | 517,737             | -                               | 517,737                                 |
| Interest   | 28,058              | 4,811                           | 32,869                                  |
| Permit fees  | 77,527              | -                               | 77,527                                  |
| Miscellaneous  | 7,164               | -                               | 7,164                                   |
| Total revenues   | <u>8,105,923</u>    | <u>426,614</u>                  | <u>8,532,537</u>                        |
| <b>EXPENDITURES</b>                                    |                     |                                 |   |
| Public safety  |                     |                                 |   |
| Fire administration                                    | 294,778             | -                               | 294,778                                 |
| Personnel services                                     | 6,832,651           | -                               | 6,832,651                               |
| Fire operations  | 296,468             | -                               | 296,468                                 |
| Rescue operations                                      | 5,333               | -                               | 5,333                                   |
| Fire prevention and life safety                        | 8,958               | -                               | 8,958                                   |
| Training   | 52,148              | -                               | 52,148                                  |
| Support services                                       | 750,011             | -                               | 750,011                                 |
| Debt service   |                     |                                 |   |
| Principal  | -                   | 270,845                         | 270,845                                 |
| Interest and fiscal charges                            | -                   | 56,228                          | 56,228                                  |
| Capital outlay   | -                   | 545,073                         | 545,073                                 |
| Total expenditures                                     | <u>8,240,347</u>    | <u>872,146</u>                  | <u>9,112,493</u>                        |
| <b>EXCESS OF REVENUE OVER<br/>(UNDER) EXPENDITURES</b> | <u>(134,424)</u>    | <u>(445,532)</u>                | <u>(579,956)</u>                        |
| <b>OTHER FINANCING SOURCES (USES)</b>                  |                     |                                 |   |
| Transfers in   | -                   | 50,000                          | 50,000                                  |
| Transfers out  | (50,000)            | -                               | (50,000)                                |
| Capital lease proceeds                                 | -                   | 399,651                         | 399,651                                 |
| Total other financing sources (uses)                   | <u>(50,000)</u>     | <u>449,651</u>                  | <u>399,651</u>                          |
| <b>NET CHANGE IN FUND BALANCES</b>                     | (184,424)           | 4,119                           | (180,305)                               |
| <b>FUND BALANCES - BEGINNING</b>                       | <u>5,594,985</u>    | <u>1,626,186</u>                | <u>7,221,171</u>                        |
| <b>FUND BALANCES - ENDING</b>                          | <u>\$ 5,410,561</u> | <u>\$ 1,630,305</u>             | <u>\$ 7,040,866</u>                     |

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

**CUNNINGHAM FIRE PROTECTION DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
Year Ended December 31, 2012**

Net change in fund balance - Total governmental funds (page 4) \$ (180,305)

Amounts reported for governmental activities in the statement of activities  
(page 2) are different because:

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 of capital outlay and depreciation in the current period.

|                |                  |
|----------------|------------------|
| Capital outlay | 562,443          |
| Depreciation   | <u>(498,599)</u> |
|                | <u>63,844</u>    |

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 governmental funds.

|   |                  |
|---|------------------|
| Compensated absences                      | (163,806)        |
| Net book value of disposed capital assets | <u>(68)</u>      |
|   | <u>(163,874)</u> |

Repayment of the principal of capital leases is an expenditure in the  
governmental funds, but the repayment reduces long-term liabilities in  
the statement of net assets.

|                                    |                |
|------------------------------------|----------------|
| Principal payments - Capital lease | <u>270,845</u> |
|                                    | <u>270,845</u> |

Capital lease proceeds are recorded at the government fund level and  
capitalized in the statement of net position.

|                          |                  |
|--------------------------|------------------|
| Proceeds - Capital lease | <u>(399,651)</u> |
|                          | <u>(399,651)</u> |

Accrued interest as reported in the statement of activities does not require  
the use of current financial resources and, therefore, the  
change in accrued interest is not reported as an  
expenditure in the governmental funds.

|                |
|----------------|
| <u>(1,789)</u> |
|----------------|

Change in net position of governmental activities (page 2) \$ (410,930)

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

**CUNNINGHAM FIRE PROTECTION DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
Year Ended December 31, 2012**

|  | <b>Original<br/>and Final<br/>Budgeted<br/>Amounts</b> | <b>Actual<br/>Amounts</b> | <b>Variance with<br/>Budget -<br/>Positive<br/>(Negative)</b> |
|--|--|---------------------------|---|
| <b>REVENUES</b>  |  |                           |   |
| Property taxes   | \$ 7,577,179   | \$ 7,475,437              | \$ (101,742)  |
| Specific ownership taxes                               | 500,000  | 517,737                   | 17,737  |
| Interest   | 25,000   | 28,058                    | 3,058   |
| Permit fees  | 25,000   | 77,527                    | 52,527  |
| Miscellaneous  | -  | 7,164                     | 7,164   |
| Total revenues   | <u>8,127,179</u>                                       | <u>8,105,923</u>          | <u>(21,256)</u>   |
| <b>EXPENDITURES</b>                                    |  |                           |   |
| Public safety  |  |                           |   |
| Fire administration                                    | 340,358  | 294,778                   | 45,580  |
| Personnel services                                     | 7,184,227  | 6,832,651                 | 351,576   |
| Fire operations  | 340,503  | 296,468                   | 44,035  |
| Rescue operations                                      | 10,225   | 5,333                     | 4,892   |
| Fire prevention and life safety                        | 16,520   | 8,958                     | 7,562   |
| Training   | 89,957   | 52,148                    | 37,809  |
| Support services                                       | 781,216  | 750,011                   | 31,205  |
| Contingency reserve                                    | 75,000   | -                         | 75,000  |
| Total expenditures                                     | <u>8,838,006</u>                                       | <u>8,240,347</u>          | <u>597,659</u>  |
| <b>EXCESS OF REVENUE OVER<br/>(UNDER) EXPENDITURES</b> | <u>(710,827)</u>                                       | <u>(134,424)</u>          | <u>576,403</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>                  |  |                           |   |
| Transfers out  | (50,000)   | (50,000)                  | -   |
| Total other financing sources (uses)                   | <u>(50,000)</u>  | <u>(50,000)</u>           | <u>-</u>  |
| <b>NET CHANGE IN FUND BALANCES</b>                     | (760,827)  | (184,424)                 | 576,403   |
| <b>FUND BALANCES - BEGINNING</b>                       | 5,560,674  | 5,594,985                 | 34,311  |
| <b>FUND BALANCES - ENDING</b>                          | <u>\$ 4,799,847</u>                                    | <u>\$ 5,410,561</u>       | <u>\$ 610,714</u>   |

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

**CUNNINGHAM FIRE PROTECTION DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUND - TRANSPORT FUND  
December 31, 2012**

**ASSETS**

**CURRENT ASSETS**

|   |            |
|---|------------|
| Cash and cash equivalents   | \$ 464,598 |
| Receivables   |            |
| Transport receivables, net of allowance for<br>doubtful accounts of \$234,666 | 244,530    |
| Total current assets  | 709,128    |

**NONCURRENT ASSETS**

|                               |           |
|-------------------------------|-----------|
| Capital assets                |           |
| Vehicles and equipment        | 864,531   |
| Less accumulated depreciation | (503,369) |
| Total noncurrent assets       | 361,162   |
| Total assets                  | 1,070,290 |

**LIABILITIES**

**CURRENT LIABILITIES**

|                    |        |
|--------------------|--------|
| Accounts payable   | 19,391 |
| Due to other funds | 12,032 |
| Total liabilities  | 31,423 |

**NET POSITION**

|                                  |              |
|----------------------------------|--------------|
| Net investment in capital assets | 361,162      |
| Unrestricted                     | 677,705      |
| Total net position               | \$ 1,038,867 |

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



**CUNNINGHAM FIRE PROTECTION DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
PROPRIETARY FUND - TRANSPORT FUND  
Year Ended December 31, 2012**

|                                       |                                |
|---------------------------------------|--------------------------------|
| <b>OPERATING REVENUES</b>             |                                |
| Charges for services                  | \$ 2,138,544                   |
| Uncollectible amounts                 | <u>(1,161,378)</u>             |
| Total operating revenues              | <u>977,166</u>                 |
| <br><b>OPERATING EXPENSES</b>         |                                |
| Personnel services                    | 710,735                        |
| Repairs and maintenance               | 59,481                         |
| Depreciation                          | 56,153                         |
| Supplies                              | 76,771                         |
| Training                              | 7,503                          |
| Public education                      | 3,772                          |
| Purchased services                    | <u>96,576</u>                  |
| Total operating expenses              | <u>1,010,991</u>               |
| <br><b>NET (LOSS) FROM OPERATIONS</b> | <br><u>(33,825)</u>            |
| <br><b>NONOPERATING REVENUES</b>      |                                |
| Interest income                       | 1,076                          |
| Intergovernmental                     | <u>80,459</u>                  |
| Total nonoperating revenues           | <u>81,535</u>                  |
| <br><b>CHANGE IN NET POSITION</b>     | <br>47,710                     |
| <br><b>NET POSITION - BEGINNING</b>   | <br><u>991,157</u>             |
| <br><b>NET POSITION - ENDING</b>      | <br><u><u>\$ 1,038,867</u></u> |

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

**CUNNINGHAM FIRE PROTECTION DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND - TRANSPORT FUND  
Year Ended December 31, 2012**

**CASH FLOWS FROM OPERATING ACTIVITIES**

|   |                  |
|---|------------------|
| Receipts from patient services                  | \$ 951,354       |
| Payments to suppliers                           | (246,190)        |
| Payments to General Fund for personnel services | <u>(710,735)</u> |
| Net cash (used) by operating activities         | <u>(5,571)</u>   |

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

|  |                  |
|--|------------------|
| Payments to General Fund                           | <u>(160,089)</u> |
| Net cash (used) by noncapital financing activities | <u>(160,089)</u> |

**CASH FLOWS FROM INVESTING ACTIVITIES**

|   |              |
|---|--------------|
| Interest received                         | <u>1,076</u> |
| Net cash provided by investing activities | <u>1,076</u> |

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

|   |                 |
|---|-----------------|
| Acquisition of property and equipment           | (165,549)       |
| Intergovernmental grant for capital outlay      | <u>87,225</u>   |
| Net cash (used) by capital financing activities | <u>(78,324)</u> |

**NET(DECREASE) IN CASH AND CASH EQUIVALENTS**

(242,908)

**CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR**

707,506

**CASH AND CASH EQUIVALENTS - END OF YEAR**

\$ 464,598

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

|   |                          |
|---|--------------------------|
| Operating (loss)  | \$ (33,825)              |
| Adjustments to reconcile operating income to net cash provided by operating activities: |                          |
| Depreciation expense  | 56,153                   |
| Changes in assets and liabilities related to operations:                                |                          |
| Receivables, net  | (25,812)                 |
| Accounts payable  | <u>(2,087)</u>           |
| Net cash (used) by operating activities   | <u><u>\$ (5,571)</u></u> |

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

**CUNNINGHAM FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2012**

**NOTE 1 - DEFINITION OF REPORTING ENTITY**

**Reporting Entity**

Cunningham Fire Protection District (District), a quasi-municipal corporation, is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Arapahoe County, Colorado. The District provides fire prevention, fire protection, emergency medical and rescue services, including ambulance transport services.

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

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

**CUNNINGHAM FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2012**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. The major source of revenue susceptible to accrual is property tax. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

The *general fund* is the District's operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *capital improvements fund* is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

The District reports the following major proprietary fund:

The *transport fund* accounts for the ambulance transport operations that are financed and operated in a manner where the intent of the District is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund transfers are authorized by the Board of Directors and reported in the governmental funds under Other Financing Sources (Uses). The primary interfund activity is reimbursements which are eliminated from both government wide and fund financial statements. The District does not have internal services; if these services were developed, the District would charge a reasonable rate and the activity would not be eliminated from the financial statements.

**CUNNINGHAM FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2012**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's proprietary fund are charges to customers for paramedic rescue and ambulance transport services. The operating expenses for the proprietary fund include the cost of administrative expenses, repairs and maintenance, supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

**Prepaid Expenses**

Prepaid expenses result from expenditures made prior to the end of the fiscal year for goods or services to be provided in the following year. Prepaid expenses have been budgeted and appropriated for the subsequent year, since that is the actual year of service. For year-end financial reporting these prepayments are reclassified from expenditures to assets.

**Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles. The District's policy is to establish an allowance for uncollectible accounts based on historical experience and individual analysis of accounts.

**CUNNINGHAM FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2012**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets**

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Buildings and improvements, apparatus and vehicles, and other equipment of the District are depreciated using the straight line method over the following estimated useful lives:

| <b>Assets</b>              | <b>Years</b> |
|----------------------------|--------------|
| Buildings and improvements | 40           |
| Apparatus and vehicles     | 5-10         |
| Other equipment            | 5-20         |

**Compensated Absences**

It is the District's policy to allow employees to accumulate unused vacation, overtime and sick leave benefits up to a certain maximum number of hours. All such benefits are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**Fund Equity**

Fund balances in the governmental funds are reported in classifications based on the extent to which the District is bound to honor constraints for the specific purposes on which amounts in the fund can be spent. In accordance with GASB Statement No. 54 fund balances are classified in one of five categories: 1) nonspendable, 2) restricted, 3) committed, 4) assigned and 5) unassigned.

**Nonspendable**

Nonspendable fund balance represents amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact. The District has reported the amount equal to the reported prepaid items in the amount of \$76,646 as nonspendable as they do not constitute spendable resources even though they are a component of fund balance.

**CUNNINGHAM FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2012**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Restricted**

Restricted fund balances reflect amounts for which constraints have been placed on the use of the resources because of state or federal laws or externally imposed conditions by grantors or creditors. Emergency reserves have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 8). A portion of the General Fund fund balance in the amount of \$260,000 has been restricted in compliance with this requirement. In addition, an amount held for the purchase of equipment of \$100,000 is classified as restricted fund balance in the Capital Improvements Fund at December 31, 2012 due to its restricted use based on an agreement signed in 2010 with Prospect Village L.P. for the eventual acquisition of a new aerial apparatus which is taller than the District's current equipment and estimated to cost \$750,000 to \$850,000.

**Committed**

Committed fund balance is the amounts that can be used only for specific purposes determined by a formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specific use by taking formal Board action. The District did not have any committed resources as of December 31, 2012.

**Assigned**

Assigned fund balance includes amounts that are constrained by the Board of Director's intended use of these resources for a specific purpose but are neither restricted nor committed. The Board does not have a formal policy, but sets the assigned fund balance by approving the budget. By their approval of the 2013 budget, the Board of Directors authorized \$839,139 in the General Fund as assigned resources to be used in 2013. Additionally, through the approval of the 2013 budget, the Board authorized \$1,530,305 in the Capital Improvements Fund as assigned resources as of December 31, 2012.

**Unassigned**

Unassigned fund balance represents the net resources in excess of the other spendable classifications.

**Minimum Unassigned Fund Balance**

The District has not adopted a formal fund equity policy. However, it observes the guidance of the State of Colorado Financial Management Manual. The Manual states the following: "In general, a government should reserve in unappropriated fund balance (*unassigned fund balance*) between 10 and 30 percent of its operation and maintenance budget depending upon the local government's budgetary circumstances." If the budgeted unassigned fund balance falls below the recommended range, the District would address the replenishment of the fund balance in the budgetary process.

**CUNNINGHAM FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2012**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Order of Expenditure of Funds**

When multiple categories of fund balance are available for expenditure (for example, a capital equipment purchase is being funded partly by committed funds, restricted funds and assigned fund balance), the District will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

**Budgetary Information**

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

Budgets for Governmental Fund Types are adopted on a basis consistent with generally accepted accounting principles (GAAP). The budget for the Proprietary Fund Type is adopted on a basis consistent with GAAP, except that property and equipment acquisitions and debt redemptions are treated as expenditures and depreciation is not included.

**Property Taxes**

Property taxes are levied by the District Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

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

**Cash Equivalents**

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



**CUNNINGHAM FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2012**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Interfund Balances**

Interfund balances at December 31, 2012, consisted of the following:

|                                       |                  |
|---------------------------------------|------------------|
| Due to General Fund from:             |                  |
| Transport Fund                        | <u>\$ 12,032</u> |
| Due to Capital Improvement Fund from: |                  |
| General Fund                          | <u>\$ 44,423</u> |

The General Fund initially pays all salary expenditures for all funds. The Transport Fund's share of total District salary expenditures are recorded through the due to/from accounts. Occasionally, the General Fund receives deposits and makes payments for the Transport Fund and the Capital Improvement Fund. These receipts/disbursements are also recorded through the due to/from account. The balance results from the timing differences between when transactions are recorded and when the Transport Fund or Capital Improvements Fund reimburses the General Fund.

All property tax collections are initially deposited into the General Fund Colotrust account. The amount due to the Capital Improvement Fund from the General Fund represents property taxes collected on behalf of the Capital Improvement Fund but not yet transferred from the General Fund. The District expects to transfer the funds during the year ended December 31, 2013.

**Interfund Transfers**

Interfund transfers for the year ended December 31, 2012, consisted of the following:

|   |                  |
|---|------------------|
| Transfer to Capital Improvements Fund from: |                  |
| General Fund                                | <u>\$ 50,000</u> |

This transfer was used to move unrestricted revenues collected in the General Fund to finance various capital improvements accounted for in the Capital Improvements Fund in accordance with budgetary authorizations.

**New Accounting Pronouncements**

Effective January 1, 2012, the District implemented the provisions of GASB No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* (GASB No. 62). The objective of GASB No. 62 is to begin to codify all sources of GAAP for state and local governments into a single source. The adoption of GASB No. 62 had no impact on the District's financial statements.

Effective January 1, 2012, the District implemented the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* (GASB No. 63). GASB No. 63 provides guidance for reporting deferred outflows and deferred inflows of resources as introduced and defined in GASB Concepts Statement No. 4,

**CUNNINGHAM FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Elements of Financial Statement* (Concepts Statement No. 4). Concepts Statement No. 4 defines a deferred outflow of resources as a consumption of net assets that is applicable to a future reporting period. A deferred inflow of resources is defined as an acquisition of net assets applicable to a future reporting period. The District does not have any financial statement balances under current GAAP that meets the definition of a deferred outflow or a deferred inflow. As such, other than replacing the term "net assets", the adoption of this standard had no impact on the District's financial statements.

**NOTE 3 - CASH AND INVESTMENTS**

**Cash Deposits**

Cash and investments as of December 31, 2012 consist of the following:

|   |                     |
|---|---------------------|
| Deposits with financial institutions    | \$ 1,163,473        |
| Colorado Liquid Asset Trust (Colotrust) | 6,489,130           |
| Total cash and investments              | <u>\$ 7,652,603</u> |

**Cash Deposits**

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

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

At December 31, 2012, the District's cash deposits had a carrying balance of \$1,163,473.

**Investments**

The District has not adopted a formal investment policy, however, it follows state statutes regarding investments.

**Credit Risk**

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

- . Obligations of the United States and certain U.S. government agency securities and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities

**CUNNINGHAM FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2012**

**NOTE 3 - CASH AND INVESTMENTS (CONTINUED)**

**Credit Risk** (Continued)

- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and reverse purchase agreements collateralized by certain authorized securities
- . Certain securities lending agreements
- . Certain money market funds
- . Guaranteed investment contracts
- . Local government investment pools
- . Certain corporate bonds

The local government investment pool, known as the Colorado Local Government Liquid Asset Trust (Colotrust) is rated AAAm by Standard & Poor's.

**Interest Rate Risk**

The District has not adopted a formal interest rate risk policy, however, it follows state statutes regarding investments, which effectively reduces the interest rate risk. Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Revenue bonds of U.S. local governments, corporate and bank securities, and guaranteed investment contracts not purchased with bond proceeds are limited to maturities of three years or less.

Interest rate risk is the risk that market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

As of December 31, 2012, the District had the following investments:

| <b>Investments</b>                      | <b>Maturity</b>    | <b>Fair Value</b>   |
|---|--------------------|---------------------|
| Colorado Liquid Asset Trust (Colotrust) | Less than one year | <u>\$ 6,489,130</u> |

**COLOTRUST**

As of December 31, 2012, the District had invested \$6,489,130 in the Colorado Local Government Liquid Asset Trust, an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing Colotrust. Colotrust operates similarly to a money market fund and each share is equal in value to \$1.00.

The District does not have a policy that addresses limitations on the amount that can be invested in any one issuer, however, the District invests primarily in Colotrust, which is not subject to concentration of credit risk.

**CUNNINGHAM FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012**

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2012 was as follows:

|   | <b>Balance at<br/>December 31,<br/><u>2011</u></b> | <b><u>Additions</u></b> | <b><u>Retirements</u></b> | <b>Balance at<br/>December 31,<br/><u>2012</u></b> |
|---|--|-------------------------|---------------------------|--|
| <b>Governmental activities:</b>                             |  |                         |                           |  |
| Capital assets, not being depreciated                       |  |                         |                           |  |
| Land  | \$ 664,882   | \$ -                    | \$ -                      | \$ 664,882   |
| CIP   | 14,565   | 133,954                 | -                         | 148,519  |
|   | <u>679,447</u>                                     | <u>133,954</u>          | <u>-</u>                  | <u>813,401</u>                                     |
| Capital assets, being depreciated                           |  |                         |                           |  |
| Building and improvements                                   | 6,713,098  | 5,450                   | -                         | 6,718,548  |
| Apparatus and vehicles                                      | 2,359,431  | 402,844                 | 336,140                   | 2,426,135  |
| Other equipment   | 1,608,203  | 20,195                  | 103,423                   | 1,524,975  |
| Total capital assets, being<br>depreciated                  | <u>10,680,732</u>                                  | <u>428,489</u>          | <u>439,563</u>            | <u>10,669,658</u>                                  |
| Less accumulated depreciation for                           |  |                         |                           |  |
| Building and improvements                                   | 2,350,413  | 208,683                 | -                         | 2,559,096  |
| Apparatus and vehicles                                      | 1,761,044  | 131,092                 | 336,140                   | 1,555,996  |
| Other equipment   | 937,861  | 158,824                 | 103,355                   | 993,330  |
| Total accumulated<br>depreciation                           | <u>5,049,318</u>                                   | <u>498,599</u>          | <u>439,495</u>            | <u>5,108,422</u>                                   |
| Total capital assets, being<br>depreciated, net             | <u>5,631,414</u>                                   | <u>(70,110)</u>         | <u>68</u>                 | <u>5,561,236</u>                                   |
| Governmental activities capital assets,<br>net              | <u>\$ 6,310,861</u>                                | <u>\$ 63,844</u>        | <u>\$ 68</u>              | <u>\$ 6,374,637</u>                                |
| <b>Business-type activities:</b>                            |  |                         |                           |  |
| Capital assets, being depreciated                           |  |                         |                           |  |
| Vehicles and equipment                                      | \$ 698,982   | \$ 165,549              | \$ -                      | \$ 864,531   |
| Less accumulated depreciation for<br>vehicles and equipment | <u>447,216</u>                                     | <u>56,153</u>           | <u>-</u>                  | <u>503,369</u>                                     |
| Business-type activities capital assets,<br>net             | <u>\$ 251,766</u>                                  | <u>\$ 109,396</u>       | <u>\$ -</u>               | <u>\$ 361,162</u>                                  |

**CUNNINGHAM FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012**

**NOTE 5 - LONG-TERM OBLIGATIONS**

Long-term obligation activity for the year ended December 31, 2012 was as follows:

|                                 | Balance at<br>December 31, |                     |                     | Balance at<br>December 31, |                   | Due<br>Within |
|---------------------------------|----------------------------|---------------------|---------------------|----------------------------|-------------------|---------------|
|                                 | <u>2011</u>                | <u>Additions</u>    | <u>Reductions</u>   | <u>2012</u>                | <u>One Year</u>   |               |
| <b>Governmental activities:</b> |                            |                     |                     |                            |                   |               |
| Capital leases                  | \$ 1,426,470               | \$ 399,651          | \$ 270,845          | \$ 1,555,276               | \$ 193,445        |               |
| Compensated absences            | 503,104                    | 959,078             | 795,272             | 666,910                    | 245,124           |               |
| Total long-term liabilities     | <u>\$ 1,929,574</u>        | <u>\$ 1,358,729</u> | <u>\$ 1,066,117</u> | <u>\$ 2,222,186</u>        | <u>\$ 438,569</u> |               |

Compensated absences are liquidated by the General Fund.

**Capital Leases**

In September 2002, the District entered into a capital lease obligation in the amount of \$509,500 to remodel Station 61. The lease required quarterly principal and interest payments of \$16,075 with interest of 4.75%. The final payment was made in 2012.

On January 31, 2006, the District entered into a capital lease obligation in the amount of \$1,813,026 for the construction of a new fire station. The lease requires quarterly principal and interest payments of \$40,220 with interest at 3.96%. The final payment is due in 2021.

On March 13, 2008, the District entered into a capital lease obligation in the amount of \$525,000 for the purchase of a new fire truck. The lease requires quarterly principal and interest payments of \$28,287 with interest at 2.89%. The final payment is due in 2013.

On October 3, 2012, the District entered into a capital lease obligation, with a "turn-in" option, in the amount of \$399,651 for the purchase of a new fire engine. The lease requires five annual principal and interest payments of \$58,866 with interest at 2.87%. In 2017, the District will have the following options: Make a final payment of \$149,038; exercise the "turn-in" option which waives the final payment on a trade-in for a replacement engine; or exercise the refinance option with the lessor.

Future minimum lease obligations and the net present value of these lease payments as of December 31, 2012 are as follows:

|                              | Net Present         |                   |                     |
|------------------------------|---------------------|-------------------|---------------------|
|                              | <u>Value</u>        | <u>Interest</u>   | <u>Total</u>        |
| 2013                         | \$ 193,445          | \$ 54,586         | \$ 248,031          |
| 2014                         | 171,464             | 48,282            | 219,746             |
| 2015                         | 177,795             | 41,950            | 219,745             |
| 2016                         | 184,364             | 35,381            | 219,745             |
| 2017                         | 339,857             | 28,926            | 368,783             |
| 2018-2021                    | 488,351             | 34,509            | 522,860             |
| Total minimum lease payments | <u>\$ 1,555,276</u> | <u>\$ 243,634</u> | <u>\$ 1,798,910</u> |

**CUNNINGHAM FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012**

**NOTE 6 - COMMUNICATIONS AGREEMENT**

The District entered into an agreement for dispatch services with the City of Littleton, Colorado (the City) that started in November 2008 and was effective through December 31, 2011 (the initial term) with unlimited renewals for a one-year term. Any renewal term shall be subject to a cost reevaluation. The District agreed to pay an annual fee of \$300,000 during the initial term. Either party may terminate the agreement by giving at least six months written notice. For 2012 and 2013, the original terms of the agreement were extended under the provision for unlimited annual renewals. The District paid the City \$300,000 during 2012, and agreed to pay \$300,000 for 2013 dispatching services.

**NOTE 7 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God. The District maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**NOTE 8 - COMMITMENTS AND CONTINGENCIES**

**Tax, Spending and Debt Limitations**

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

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

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

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

On May 7, 1996, a majority of the District's voters authorized the District to extend the debt service mill levy at a decreased rate of 0.600 mills solely for acquisition and construction of capital equipment and facilities. The total District mill levy, exclusive of refunds or abatements is not to exceed 14.570 mills.

**CUNNINGHAM FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012**

**NOTE 8 - COMMITMENTS AND CONTINGENCIES (CONTINUED)**

On November 3, 1998, a majority of the District's voters authorized the District to collect, retain and spend all revenue collected from the District's existing property tax rate of 14.570 mills and from all other sources, commencing January 1, 1997 and continuing thereafter, without regard to any limitations under TABOR.

**Upcoming GASB Pronouncements**

The Governmental Accounting Standards Board (GASB) issued Statement No. 68 *Accounting and Financial Reporting for Pensions (Statement No. 68)*, which revises and establishes new financial reporting requirements for most governments that provide their employees with pension benefits. The Cunningham Fire Protection District provides its employees with pension benefits through multiple employer cost-sharing defined benefit retirement programs. The Colorado Fire and Police Pension Association (FPPA) administers the program for uniformed employees. Civilian employees are in a program administered by the Public Employees' Retirement Association of Colorado (PERA).

Statement No. 68 requires cost-sharing employers participating in the FPPA or PERA programs, such as the Cunningham Fire Protection District, to record their proportionate share, as defined in Statement No. 68, of FPPA's and/or PERA's unfunded pension liabilities. Cunningham Fire Protection District has no legal obligation to fund this shortfall nor does it have any ability to affect funding, benefits, or annual required contribution decisions made by FPPA or PERA. The requirement of Statement No. 68 to record a portion of FPPA and/or PERA's unfunded liabilities will negatively impact the District's future unrestricted net position. Statement No. 68 is effective for fiscal year 2015. At this time, management is unable to estimate the magnitude of this impact. Information regarding FPPA's or PERA's current funding statuses can be found in their respective Comprehensive Annual Financial Reports.

**NOTE 9 - EMPLOYEE RETIREMENT PLANS**

**State Fire and Police Pension Plan**

The District contributes to the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association (FPPA). The Statewide Defined Benefit Plan provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members hired prior to January 1, 1997 through the Statewide Death and Disability Plan which is also administered by the FPPA. This is a noncontributory plan. All full-time, paid firefighters of the District are members of the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. Local revenue sources are responsible for funding of the Death and Disability benefits for firefighters hired on or after January 1, 1997. Colorado statutes assign the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for both the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. That report may be obtained by calling FPPA at 303-770-3772 in the Denver Metro area and 1-800-332-FPPA (3772) from outside the metro area.

**CUNNINGHAM FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012**

**NOTE 9 - EMPLOYEE RETIREMENT PLANS (CONTINUED)**

The contribution requirements of plan members and the District are established by statute. The contribution rate to the Statewide Defined Benefit Plan for both plan members and the District is 8.0% of covered salary. The District contributions to the Statewide Defined Benefit Plan for the years ending December 31, 2012, 2011 and 2010 were \$401,501, \$430,901 and \$440,395, respectively, equal to the District's required contributions for each year.

**Public Employees' Retirement Association of Colorado (PERA)**

The District contributes to the Local Government Division Trust Fund (Trust), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The Trust provides retirement and disability, annual increases and death benefits for members or their beneficiaries. All employees other than firefighters are members of the Trust.

The District also contributes to the Health Care Trust Fund (Health Fund), a cost-sharing multiple-employer postemployment healthcare plan administered by PERA. The Health Fund provides a health care premium subsidy to PERA participating benefit recipients and their eligible beneficiaries.

Colorado Revised Statutes assign the authority to establish Trust and Health Fund benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the Trust and the Health Fund. That report may be obtained by writing to PERA at 1300 Logan Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Plan members and the District are required to contribute to the Trust at rates set by Colorado Statutes. A portion of the District's contribution (1.02% of covered salary) is allocated for the Health Fund. Member contributions to the Health Fund are not required.

The contribution rate for members and the District's contributions to the Trust and Health Fund, which equaled the District's required contributions for each year, was as follows:

|                                     | <b>December 31,</b> |                    |                    |
|-------------------------------------|---------------------|--------------------|--------------------|
|                                     | <b><u>2012</u></b>  | <b><u>2011</u></b> | <b><u>2010</u></b> |
| Contribution rate of covered salary |                     |                    |                    |
| Members                             | 8%                  | 8%                 | 8%                 |
| District                            |                     |                    |                    |
| Trust                               | 12.68%              | 12.68%             | 12.68%             |
| Health Plan                         | 1.02%               | 1.02%              | 1.02%              |
| Contributions                       |                     |                    |                    |
| Trust                               | \$ 41,512           | \$ 45,617          | \$ 42,433          |
| Health Fund                         | \$ 3,339            | \$ 3,670           | \$ 3,413           |



**CUNNINGHAM FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2012**

**NOTE 9 - EMPLOYEE RETIREMENT PLANS (CONTINUED)**

Additionally, employees of the District may voluntarily contribute to the Voluntary Investment Program (VIP), an Internal Revenue Code Section 401(K) defined contribution plan administered by PERA. Plan participation is voluntary and contributions are separate from others made to PERA. State statutes have assigned the State Legislature the authority to establish VIP plan provisions.

The VIP is funded by voluntary member contributions of up to a maximum limit set by the IRS.

**Deferred Compensation Plan**

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

**Volunteer Firefighters**

The District terminated its Volunteer Firefighter's Pension Fund during 1987. The District purchased annuities for each participant to provide for the payment of all future benefits due.

**Retirement Health Savings Account**

Effective January 1, 2009, the District entered into a Retirement Health Savings (RHS) plan. Eligible participants are non-union and collectively-bargained employees with over 5 years of service. Currently, the non-union employees have a mandatory contribution. The collectively-bargained employees have not formalized their group to allow for employee contributions. Employer contributions, for plan years 2012 and 2013, is \$500 for each eligible employee making a mandatory contribution. The plan may be amended to allow for changes in employee or employer contributions. Vesting for the employer contributions is dependent on number of years of service completed with 100% vesting occurring after 20 years of service. Non-vested funds will revert back to the employer. Total contributions made in 2012 were \$4,500.

**NOTE 10 - SUBSEQUENT EVENTS**

In January 2012, the District entered into an agreement with W.O. Danielson Construction Co., Ltd., for the remodel of Station 63. The contract price, based on the change order approved on January 28, 2013, is \$654,926.

This information is an integral part of the accompanying financial statements.

**SUPPLEMENTARY INFORMATION**

**CUNNINGHAM FIRE PROTECTION DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
CAPITAL IMPROVEMENTS FUND  
Year Ended December 31, 2012**

|   | <b>Original<br/>and Final<br/>Budgeted<br/>Amounts</b> | <b>Actual<br/>Amounts</b> | <b>Variance with<br/>Budget -<br/>Positive<br/>(Negative)</b> |
|---|--|---------------------------|---|
| <b>REVENUES</b>                                   |  |                           |   |
| Property taxes                                    | \$ 426,044   | \$ 421,803                | \$ (4,241)  |
| Interest  | 2,000  | 4,811                     | 2,811   |
| Total revenues                                    | <u>428,044</u>   | <u>426,614</u>            | <u>(1,430)</u>  |
| <b>EXPENDITURES</b>                               |  |                           |   |
| Debt service                                      |  |                           |   |
| Principal   | 270,845  | 270,845                   | -   |
| Interest and fiscal charges                       | 57,996   | 56,228                    | 1,768   |
| Capital outlay                                    | 1,022,700  | 545,073                   | 477,627   |
| Total expenditures                                | <u>1,351,541</u>                                       | <u>872,146</u>            | <u>479,395</u>  |
| <b>EXCESS OF REVENUE (UNDER)<br/>EXPENDITURES</b> | <u>(923,497)</u>                                       | <u>(445,532)</u>          | <u>477,965</u>  |
| <b>OTHER FINANCING SOURCES</b>                    |  |                           |   |
| Transfers in                                      | 50,000   | 50,000                    | -   |
| Capital lease proceeds                            | -  | 399,651                   | 399,651   |
| Sale of asset                                     | -  | -                         | -   |
| Total other financing sources                     | <u>50,000</u>  | <u>449,651</u>            | <u>399,651</u>  |
| <b>NET CHANGE IN FUND BALANCES</b>                | (873,497)  | 4,119                     | 877,616   |
| <b>FUND BALANCES - BEGINNING</b>                  | <u>1,615,073</u>                                       | <u>1,626,186</u>          | <u>11,113</u>   |
| <b>FUND BALANCES - ENDING</b>                     | <u>\$ 741,576</u>                                      | <u>\$ 1,630,305</u>       | <u>\$ 888,729</u>   |

**CUNNINGHAM FIRE PROTECTION DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE -**  
**BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**TRANSPORT FUND**  
**Year Ended December 31, 2012**

|  | <b>Original<br/>and Final<br/>Budgeted<br/>Amounts</b> | <b>Actual<br/>Amounts</b> | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> |
|--|--|---------------------------|---|
| <b>REVENUES</b>  |  |                           |   |
| Charges for services                                   | \$ 2,000,000   | \$ 2,138,544              | \$ 138,544  |
| Uncollectible amounts                                  | (1,000,000)  | (1,161,378)               | (161,378)   |
| Interest   | 500  | 1,076                     | 576   |
| Gain on sale   | -  | -                         | -   |
| Intergovernmental                                      | 84,250   | 80,459                    | (3,791)   |
| Total revenues   | <u>1,084,750</u>                                       | <u>1,058,701</u>          | <u>(26,049)</u>   |
| <b>EXPENDITURES</b>                                    |  |                           |   |
| Salaries and benefits                                  | 714,057  | 710,735                   | 3,322   |
| Uniforms and protective clothing                       | 6,000  | -                         | 6,000   |
| Repairs and maintenance                                | 49,520   | 59,481                    | (9,961)   |
| Supplies   | 89,049   | 76,771                    | 12,278  |
| Purchased services                                     | 110,975  | 96,576                    | 14,399  |
| Insurance  | 1,535  | -                         | 1,535   |
| Training   | 9,600  | 7,503                     | 2,097   |
| Capital outlay   | 180,656  | 165,549                   | 15,107  |
| Public education                                       | 7,243  | 3,772                     | 3,471   |
| Total expenditures                                     | <u>1,168,635</u>                                       | <u>1,120,387</u>          | <u>48,248</u>   |
| <b>EXCESS OF REVENUE OVER<br/>(UNDER) EXPENDITURES</b> | (83,885)   | (61,686)                  | 22,199  |
| <b>FUNDS AVAILABLE - BEGINNING</b>                     | <u>809,110</u>   | <u>739,391</u>            | <u>(69,719)</u>   |
| <b>FUNDS AVAILABLE - ENDING</b>                        | <u>\$ 725,225</u>                                      | <u>\$ 677,705</u>         | <u>\$ (47,520)</u>  |

Funds available at December 31, 2012 is computed as follows:

|                           |                   |
|---------------------------|-------------------|
| Total current assets      | \$ 709,128        |
| Total current liabilities | <u>(31,423)</u>   |
|                           | <u>\$ 677,705</u> |

**CUNNINGHAM FIRE PROTECTION DISTRICT  
SCHEDULE OF RECONCILIATION OF BUDGETARY BASIS (ACTUAL)  
TO STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
TRANSPORT FUND  
Year Ended December 31, 2012**

|   |                     |
|---|---------------------|
| Revenue (budgetary basis)   | \$ <u>1,058,701</u> |
| Total revenue per statement of revenues, expenses and changes in fund net position          | <u>1,058,701</u>    |
| Expenditures (budgetary basis)  | 1,120,387           |
| Capital outlay  | (165,549)           |
| Depreciation  | <u>56,153</u>       |
| Total expenses per statement of revenues, expenses and changes in fund net position         | <u>1,010,991</u>    |
| Change in net position per statement of revenues, expenses and changes in fund net position | <u>\$ 47,710</u>    |

## **STATISTICAL SECTION**

## **STATISTICAL SECTION INDEX**

Cunningham Fire Protection District prepares the Statistical Section to assist the reader in a comprehensive understanding of the District's economic position through presentation of the following objectives:

### **Financial Trends**

**Pages 31 - 34**

– provides comparative information on net assets, changes in net assets, fund balance and changes in fund balance to assist the reader in assessing changes over time in the District's financial position.

### **Revenue Capacity**

**Pages 35 - 40**

– provides comparative information on revenue sources, assessed value, property tax rates, principal property tax payers, property tax levies and collections to assist the reader in assessing the District's ability to generate revenues.

### **Debt Capacity**

**Pages 41 - 43**

– provides comparative information on ratios of outstanding debt and legal debt margins in addition to direct and overlapping debt to assist the reader in assessing the District's debt burden and the ability to issue additional debt if approved by taxpayers.

### **Demographic and Economic**

**Pages 44 - 45**

– provides comparative demographic information for the county in which the District operates in addition to recent demographic information specific to the district. Principal employers for the county are also reported. This information is provided to assist the reader in understanding the District's socioeconomic environment.

### **Operating Information**

**Pages 46 - 48**

– provides comparative operating information on the District's functions/programs and capital assets to assist the reader in understanding the District's operating and resource environment when assessing economic position.

Data reported in the Statistical Section uses information specific to Cunningham Fire Protection District when available. When the information is not available for the District, Arapahoe County statistical data is used as noted in the individual reports.

**Cunningham Fire Protection District**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(Unaudited)**

|   | Fiscal Year         |                     |                     |                      |                      |                      |                      |                      |                      |                      |
|---|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|   | 2003                | 2004                | 2005                | 2006                 | 2007                 | 2008                 | 2009                 | 2010                 | 2011                 | 2012                 |
| Governmental activities                     |                     |                     |                     |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets            | \$ 3,259,644        | \$ 3,418,664        | \$ 4,078,207        | \$ 4,242,439         | \$ 4,254,688         | \$ 4,677,551         | \$ 4,807,093         | \$ 5,025,270         | 4,884,391            | 4,819,361            |
| Restricted                                  | 629,706             | 952,607             | 1,595,180           | 1,413,861            | 1,895,913            | 2,173,777            | 1,704,788            | 375,600              | 359,512              | 360,000              |
| Unrestricted                                | 4,949,839           | 5,007,127           | 4,377,233           | 5,265,988            | 5,591,461            | 5,098,416            | 5,530,480            | 6,644,076            | 6,350,051            | 6,003,663            |
| Total governmental activities net position  | <u>\$ 8,839,189</u> | <u>\$ 9,378,398</u> | <u>\$10,050,620</u> | <u>\$ 10,922,288</u> | <u>\$ 11,742,062</u> | <u>\$ 11,949,744</u> | <u>\$ 12,042,361</u> | <u>\$ 12,044,946</u> | <u>\$ 11,593,954</u> | <u>\$ 11,183,024</u> |
| Business-type activities                    |                     |                     |                     |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets            | \$ 274,098          | \$ 207,771          | \$ 213,172          | \$ 182,347           | \$ 126,082           | \$ 201,729           | \$ 137,747           | \$ 246,835           | \$ 251,766           | \$ 361,162           |
| Restricted                                  | -                   | -                   | -                   | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Unrestricted                                | 979,651             | 1,077,856           | 1,125,287           | 1,096,201            | 1,005,036            | 851,147              | 785,688              | 711,639              | 739,391              | 677,705              |
| Total business-type activities net position | <u>\$ 1,253,749</u> | <u>\$ 1,285,627</u> | <u>\$ 1,338,459</u> | <u>\$ 1,278,548</u>  | <u>\$ 1,131,118</u>  | <u>\$ 1,052,876</u>  | <u>\$ 923,435</u>    | <u>\$ 958,474</u>    | <u>\$ 991,157</u>    | <u>\$ 1,038,867</u>  |
| Primary government                          |                     |                     |                     |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets            | \$ 3,533,742        | \$ 3,626,435        | \$ 4,291,379        | \$ 4,424,786         | \$ 4,380,770         | \$ 4,879,280         | \$ 4,944,840         | \$ 5,272,105         | \$ 5,136,157         | \$ 5,180,523         |
| Restricted                                  | 629,706             | 952,607             | 1,595,180           | 1,413,861            | 1,895,913            | 2,173,777            | 1,704,788            | 375,600              | 359,512              | 360,000              |
| Unrestricted                                | 5,929,490           | 6,084,983           | 5,502,520           | 6,362,189            | 6,596,497            | 5,949,563            | 6,316,168            | 7,355,715            | 7,089,442            | 6,681,368            |
| Total primary government net position       | <u>\$10,092,938</u> | <u>\$10,664,025</u> | <u>\$11,389,079</u> | <u>\$ 12,200,836</u> | <u>\$ 12,873,180</u> | <u>\$ 13,002,620</u> | <u>\$ 12,965,796</u> | <u>\$ 13,003,420</u> | <u>\$ 12,585,111</u> | <u>\$ 12,221,891</u> |



**Cunningham Fire Protection District**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(Unaudited)**

|   | Fiscal Year           |                       |                       |                       |                       |                       |                       |                       |                       |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|   | 2003                  | 2004                  | 2005                  | 2006                  | 2007                  | 2008                  | 2009                  | 2010                  | 2011                  | 2012                  |
| <b>Expenses</b>                           |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Governmental activities:                  |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Public safety                             | \$ 6,594,286          | \$ 7,318,414          | \$ 7,536,492          | \$ 7,708,311          | \$ 7,843,542          | \$ 8,905,454          | \$ 9,000,510          | \$ 9,105,322          | \$ 9,027,660          | \$ 8,885,382          |
| Interest and fiscal charges               | 62,122                | 50,990                | 38,201                | 107,979               | 86,369                | 98,388                | 86,271                | 76,037                | 66,940                | 58,017                |
| Total governmental activities             | <u>6,656,408</u>      | <u>7,369,404</u>      | <u>7,574,693</u>      | <u>7,816,290</u>      | <u>7,929,911</u>      | <u>9,003,842</u>      | <u>9,086,781</u>      | <u>9,181,359</u>      | <u>9,094,600</u>      | <u>8,943,399</u>      |
| Business-type activities:                 |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Ambulance transports                      | 823,713               | 874,649               | 837,956               | 866,459               | 863,379               | 955,209               | 988,887               | 994,935               | 971,241               | 1,010,991             |
| Total business-type activities            | <u>823,713</u>        | <u>874,649</u>        | <u>837,956</u>        | <u>866,459</u>        | <u>863,379</u>        | <u>955,209</u>        | <u>988,887</u>        | <u>994,935</u>        | <u>971,241</u>        | <u>1,010,991</u>      |
| Total primary government expenses         | <u>\$ 7,480,121</u>   | <u>\$ 8,244,053</u>   | <u>\$ 8,412,649</u>   | <u>\$ 8,682,749</u>   | <u>\$ 8,793,290</u>   | <u>\$ 9,959,051</u>   | <u>\$10,075,668</u>   | <u>\$10,176,294</u>   | <u>\$10,065,841</u>   | <u>\$ 9,954,390</u>   |
| <b>Program Revenues</b>                   |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Governmental activities:                  |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Public safety                             | \$ 36,803             | \$ 43,782             | \$ 61,302             | \$ 29,362             | \$ 30,235             | \$ 32,481             | \$ 93,008             | \$ 48,721             | \$ 48,274             | \$ 77,527             |
| Capital grants and contributions          | -                     | 51,252                | -                     | -                     | -                     | -                     | -                     | 358,688               | -                     | -                     |
| Total governmental activities             | <u>36,803</u>         | <u>95,034</u>         | <u>61,302</u>         | <u>29,362</u>         | <u>30,235</u>         | <u>32,481</u>         | <u>93,008</u>         | <u>407,409</u>        | <u>48,274</u>         | <u>77,527</u>         |
| Business-type activities:                 |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Ambulance transports                      | 1,053,816             | 898,030               | 890,788               | 789,634               | 715,949               | 876,967               | 859,446               | 938,939               | 969,199               | 977,166               |
| Capital grants and contributions          | -                     | 8,497                 | -                     | -                     | -                     | -                     | -                     | 89,994                | 25,205                | 80,459                |
| Total business-type activities            | <u>1,053,816</u>      | <u>906,527</u>        | <u>890,788</u>        | <u>789,634</u>        | <u>715,949</u>        | <u>876,967</u>        | <u>859,446</u>        | <u>1,028,933</u>      | <u>994,404</u>        | <u>1,057,625</u>      |
| Total primary government program revenues | <u>\$ 1,090,619</u>   | <u>\$ 1,001,561</u>   | <u>\$ 952,090</u>     | <u>\$ 818,996</u>     | <u>\$ 746,184</u>     | <u>\$ 909,448</u>     | <u>\$ 952,454</u>     | <u>\$ 1,436,342</u>   | <u>\$ 1,042,678</u>   | <u>\$ 1,135,152</u>   |
| <b>Net (Expense)/Revenue</b>              |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Governmental activities                   | \$ (6,619,605)        | \$ (7,274,370)        | \$ (7,513,391)        | \$ (7,786,928)        | \$ (7,899,676)        | \$ (8,971,361)        | \$ (8,993,773)        | \$ (8,773,950)        | \$ (9,046,326)        | \$ (8,865,872)        |
| Business-type activities                  | 230,103               | 31,878                | 52,832                | (76,825)              | (147,430)             | (78,242)              | (129,441)             | 33,998                | 23,163                | 46,634                |
| Total primary government net expense      | <u>\$ (6,389,502)</u> | <u>\$ (7,242,492)</u> | <u>\$ (7,460,559)</u> | <u>\$ (7,863,753)</u> | <u>\$ (8,047,106)</u> | <u>\$ (9,049,603)</u> | <u>\$ (9,123,214)</u> | <u>\$ (8,739,952)</u> | <u>\$ (9,023,163)</u> | <u>\$ (8,819,238)</u> |
| <b>General Revenues</b>                   |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Governmental activities:                  |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Property taxes                            | \$ 7,072,579          | \$ 7,019,644          | \$ 7,251,665          | \$ 7,550,564          | \$ 7,586,397          | \$ 8,264,600          | \$ 8,339,155          | \$ 8,076,087          | \$ 8,053,587          | 7,897,240             |
| Specific ownership taxes                  | 702,797               | 671,348               | 663,870               | 666,663               | 662,939               | 637,883               | 589,218               | 521,188               | 486,469               | 517,737               |
| Investment earnings                       | 79,418                | 106,087               | 246,335               | 408,191               | 450,907               | 253,345               | 50,956                | 53,073                | 34,677                | 32,869                |
| Gain (loss) on disposal of capital assets | 52,067                | 16,500                | -                     | -                     | (1,403)               | 3,652                 | -                     | -                     | 11,221                | (68)                  |
| Miscellaneous                             | 520                   | -                     | 23,743                | 33,178                | 20,610                | 19,563                | 107,061               | 126,187               | 9,380                 | 7,164                 |
| Total governmental activities             | <u>7,907,381</u>      | <u>7,813,579</u>      | <u>8,185,613</u>      | <u>8,658,596</u>      | <u>8,719,450</u>      | <u>9,179,043</u>      | <u>9,086,390</u>      | <u>8,776,535</u>      | <u>8,595,334</u>      | <u>8,454,942</u>      |
| Business-type activities:                 |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Gain (loss) on disposal of capital assets | -                     | -                     | -                     | 16,099                | -                     | -                     | -                     | -                     | -                     | -                     |
| Investment earnings                       | -                     | -                     | -                     | -                     | -                     | -                     | -                     | 1,041                 | 520                   | 1,076                 |
| Miscellaneous                             | -                     | -                     | -                     | 815                   | -                     | -                     | -                     | -                     | 9,000                 | -                     |
| Total business-type activities            | <u>-</u>              | <u>-</u>              | <u>-</u>              | <u>16,914</u>         | <u>-</u>              | <u>-</u>              | <u>-</u>              | <u>1,041</u>          | <u>9,520</u>          | <u>1,076</u>          |
| Total primary government                  | <u>\$ 7,907,381</u>   | <u>\$ 7,813,579</u>   | <u>\$ 8,185,613</u>   | <u>\$ 8,675,510</u>   | <u>\$ 8,719,450</u>   | <u>\$ 9,179,043</u>   | <u>\$ 9,086,390</u>   | <u>\$ 8,777,576</u>   | <u>\$ 8,604,854</u>   | <u>\$ 8,456,018</u>   |
| <b>Change in Net Position</b>             |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Governmental activities                   | \$ 1,287,776          | \$ 539,209            | \$ 672,222            | \$ 871,668            | \$ 819,774            | \$ 207,682            | \$ 92,617             | \$ 2,585              | \$ (450,992)          | \$ (410,930)          |
| Business-type activities                  | 230,103               | 31,878                | 52,832                | (59,911)              | (147,430)             | (78,242)              | (129,441)             | 35,039                | 32,683                | 47,710                |
| Total primary government                  | <u>\$ 1,517,879</u>   | <u>\$ 571,087</u>     | <u>\$ 725,054</u>     | <u>\$ 811,757</u>     | <u>\$ 672,344</u>     | <u>\$ 129,440</u>     | <u>\$ (36,824)</u>    | <u>\$ 37,624</u>      | <u>\$ (418,309)</u>   | <u>\$ (363,220)</u>   |

**Cunningham Fire Protection District  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(Unaudited)**

|                                | Fiscal Year         |                     |                     |                     |                     |                     |                     |                     |                     |                     |
|--------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                | 2003                | 2004                | 2005                | 2006                | 2007                | 2008                | 2009                | 2010                | 2011                | 2012                |
| General Fund                   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Nonspendable                   | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ 72,296           | \$ 71,264           | \$ 70,527           | \$ 73,902           | \$ 76,646           |
| Restricted                     | 285,286             | 296,070             | 247,500             | 320,023             | 262,550             | 576,300             | 275,400             | 275,600             | 259,512             | 260,000             |
| Assigned                       | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | 760,828             | 839,139             |
| Unassigned                     | 5,230,237           | 5,247,314           | 4,691,436           | 5,521,895           | 5,945,281           | 5,477,759           | 5,945,148           | 5,620,145           | 4,500,743           | 4,234,776           |
| Total General Fund             | <u>\$ 5,515,523</u> | <u>\$ 5,543,384</u> | <u>\$ 4,938,936</u> | <u>\$ 5,841,918</u> | <u>\$ 6,207,831</u> | <u>\$ 6,126,355</u> | <u>\$ 6,291,812</u> | <u>\$ 5,966,272</u> | <u>\$ 5,594,985</u> | <u>\$ 5,410,561</u> |
| <br>Capital Improvement Fund   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Restricted                     | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ 100,000          | \$ 100,000          |
| Assigned                       | 392,936             | 716,307             | 1,347,680           | 1,153,161           | 1,633,363           | 1,597,477           | 1,429,388           | 1,579,135           | 1,526,186           | 1,530,305           |
| Unassigned                     | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Total Capital Improvement fund | <u>\$ 392,936</u>   | <u>\$ 716,307</u>   | <u>\$ 1,347,680</u> | <u>\$ 1,153,161</u> | <u>\$ 1,633,363</u> | <u>\$ 1,597,477</u> | <u>\$ 1,429,388</u> | <u>\$ 1,579,135</u> | <u>\$ 1,626,186</u> | <u>\$ 1,630,305</u> |

**Cunningham Fire Protection District**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(Unaudited)**

|   | Fiscal Year       |                   |                  |                    |                   |                     |                   |                     |                     |                     |
|---|-------------------|-------------------|------------------|--------------------|-------------------|---------------------|-------------------|---------------------|---------------------|---------------------|
|   | 2003              | 2004              | 2005             | 2006               | 2007              | 2008                | 2009              | 2010                | 2011                | 2012                |
| <b>Revenues</b>   |                   |                   |                  |                    |                   |                     |                   |                     |                     |                     |
| Property taxes  | \$ 7,072,579      | \$ 7,019,644      | \$ 7,251,665     | \$ 7,550,564       | \$ 7,586,397      | \$ 8,264,600        | \$ 8,339,155      | \$ 8,076,087        | \$ 8,053,587        | \$ 7,897,240        |
| Specific ownership taxes                                | 702,797           | 671,348           | 663,870          | 666,663            | 662,939           | 637,883             | 589,218           | 521,188             | 486,469             | 517,737             |
| Investment earnings                                     | 79,418            | 106,087           | 246,335          | 408,191            | 450,907           | 253,345             | 50,956            | 53,073              | 34,677              | 32,869              |
| Permit fees   | 36,803            | 43,782            | 61,302           | 29,362             | 30,235            | 32,481              | 93,008            | 48,721              | 48,274              | 77,527              |
| Intergovernmental                                       | -                 | 51,252            | -                | -                  | -                 | -                   | -                 | 358,688             | -                   | -                   |
| Miscellaneous   | 520               | -                 | 23,743           | 33,178             | 20,610            | 23,386              | 107,061           | 126,187             | 9,380               | 7,164               |
| <b>Total revenues</b>                                   | <b>7,892,117</b>  | <b>7,892,113</b>  | <b>8,246,915</b> | <b>8,687,958</b>   | <b>8,751,088</b>  | <b>9,211,695</b>    | <b>9,179,398</b>  | <b>9,183,944</b>    | <b>8,632,387</b>    | <b>8,532,537</b>    |
| <b>Expenditures</b>                                     |                   |                   |                  |                    |                   |                     |                   |                     |                     |                     |
| Public Safety   |                   |                   |                  |                    |                   |                     |                   |                     |                     |                     |
| Fire administration                                     | 268,412           | 298,846           | 283,963          | 296,438            | 300,910           | 326,218             | 307,108           | 291,964             | 278,386             | 294,778             |
| Personnel services                                      | 5,132,315         | 5,795,640         | 5,906,986        | 6,039,621          | 6,141,232         | 6,782,382           | 7,128,797         | 7,153,693           | 7,115,645           | 6,832,651           |
| Fire operations   | 297,895           | 344,254           | 320,139          | 272,320            | 279,214           | 362,008             | 285,386           | 699,049             | 341,439             | 296,468             |
| Rescue operations                                       | 9,374             | 9,070             | 7,959            | 7,338              | 6,266             | 8,211               | 6,029             | 5,745               | 5,984               | 5,333               |
| Fire prevention and life safety                         | 21,216            | 20,405            | 18,172           | 21,070             | 15,358            | 18,981              | 14,189            | 10,134              | 9,119               | 8,958               |
| Training  | 67,266            | 56,094            | 77,610           | 73,078             | 85,656            | 129,175             | 81,580            | 42,489              | 60,573              | 52,148              |
| Support services  | 583,712           | 522,195           | 562,882          | 553,134            | 605,290           | 685,978             | 685,674           | 714,508             | 701,108             | 750,011             |
| Debt service  |                   |                   |                  |                    |                   |                     |                   |                     |                     |                     |
| Principal   | 237,093           | 247,982           | 104,296          | 458,680            | 143,019           | 223,188             | 256,801           | 266,459             | 276,494             | 270,847             |
| Interest and fiscal charges                             | 65,396            | 54,485            | 43,241           | 99,246             | 86,818            | 91,934              | 87,093            | 76,892              | 67,849              | 56,226              |
| Lease origination fees                                  | -                 | -                 | -                | -                  | -                 | 6,634               | -                 | -                   | -                   | -                   |
| Capital outlay  | 618,252           | 208,410           | 894,742          | 1,971,596          | 241,210           | 1,219,348           | 329,373           | 98,804              | 118,026             | 545,073             |
| <b>Total expenditures</b>                               | <b>7,300,931</b>  | <b>7,557,381</b>  | <b>8,219,990</b> | <b>9,792,521</b>   | <b>7,904,973</b>  | <b>9,854,057</b>    | <b>9,182,030</b>  | <b>9,359,737</b>    | <b>8,974,623</b>    | <b>9,112,493</b>    |
| <b>Excess of revenue over (under) expenditures</b>      | <b>591,186</b>    | <b>334,732</b>    | <b>26,925</b>    | <b>(1,104,563)</b> | <b>846,115</b>    | <b>(642,362)</b>    | <b>(2,632)</b>    | <b>(175,793)</b>    | <b>(342,236)</b>    | <b>(579,956)</b>    |
| <b>Other Financing Sources (Uses)</b>                   |                   |                   |                  |                    |                   |                     |                   |                     |                     |                     |
| Transfers in  | 125,000           | 400,000           | 1,265,000        | 50,000             | 500,000           | 500,000             | 50,000            | 50,000              | 50,000              | 50,000              |
| Transfers out   | (125,000)         | (400,000)         | (1,265,000)      | (50,000)           | (500,000)         | (500,000)           | (50,000)          | (50,000)            | (50,000)            | (50,000)            |
| Sale of fixed asset                                     | 58,150            | 16,500            | -                | -                  | -                 | -                   | -                 | -                   | 18,000              | -                   |
| Capital lease proceeds                                  | -                 | -                 | -                | 1,813,026          | -                 | 525,000             | -                 | -                   | -                   | 399,651             |
| <b>Total other financing sources (uses)</b>             | <b>58,150</b>     | <b>16,500</b>     | <b>-</b>         | <b>1,813,026</b>   | <b>-</b>          | <b>525,000</b>      | <b>-</b>          | <b>-</b>            | <b>18,000</b>       | <b>399,651</b>      |
| <b>Net change in fund balances</b>                      | <b>\$ 649,336</b> | <b>\$ 351,232</b> | <b>\$ 26,925</b> | <b>\$ 708,463</b>  | <b>\$ 846,115</b> | <b>\$ (117,362)</b> | <b>\$ (2,632)</b> | <b>\$ (175,793)</b> | <b>\$ (324,236)</b> | <b>\$ (180,305)</b> |
| Debt service as a percentage of noncapital expenditures | 4.53%             | 4.12%             | 2.01%            | 7.13%              | 3.00%             | 3.73%               | 3.88%             | 3.71%               | 3.89%               | 3.82%               |

**Cunningham Fire Protection District  
Government-wide Revenues  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(Unaudited)**

| Fiscal Year | PROGRAM REVENUES     |                                    | GENERAL REVENUES |                     |              |              |
|-------------|----------------------|------------------------------------|------------------|---------------------|--------------|--------------|
|             | Charges for Services | Operating Grants and Contributions | Taxes            | Investment Earnings | Other Income | Total        |
| 2003        | \$ 1,090,619         | \$ -                               | \$ 7,775,376     | \$ 79,418           | \$ 52,587    | \$ 8,998,000 |
| 2004        | 941,812              | 59,749                             | 7,690,992        | 106,087             | 16,500       | 8,815,140    |
| 2005        | 952,090              | -                                  | 7,915,535        | 246,335             | 23,743       | 9,137,703    |
| 2006        | 818,996              | -                                  | 8,217,227        | 408,191             | 33,178       | 9,477,592    |
| 2007        | 746,184              | -                                  | 8,249,336        | 450,907             | 19,207       | 9,465,634    |
| 2008        | 909,448              | -                                  | 8,902,483        | 253,345             | 23,215       | 10,088,491   |
| 2009        | 952,454              | -                                  | 8,928,373        | 50,956              | 107,061      | 10,038,844   |
| 2010        | 987,660              | 448,682                            | 8,597,275        | 54,114              | 126,187      | 10,213,918   |
| 2011        | 1,017,473            | 25,205                             | 8,540,056        | 35,197              | 29,601       | 9,647,532    |
| 2012        | 1,054,693            | 80,459                             | 8,414,977        | 33,945              | 7,164        | 9,591,238    |

**Cunningham Fire Protection District  
Tax Revenues by Source, Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(Unaudited)**

| <b>Fiscal<br/>Year</b> | <b>Property<br/>Tax</b> | <b>Specific<br/>Ownership<br/>Tax</b> | <b>Total</b> |
|------------------------|-------------------------|---------------------------------------|--------------|
| 2003                   | \$ 7,072,579            | \$ 702,797                            | \$ 7,775,376 |
| 2004                   | 7,019,644               | 671,348                               | 7,690,992    |
| 2005                   | 7,251,665               | 663,870                               | 7,915,535    |
| 2006                   | 7,550,564               | 666,663                               | 8,217,227    |
| 2007                   | 7,586,397               | 662,939                               | 8,249,336    |
| 2008                   | 8,264,600               | 637,883                               | 8,902,483    |
| 2009                   | 8,339,155               | 589,218                               | 8,928,373    |
| 2010                   | 8,076,087               | 521,188                               | 8,597,275    |
| 2011                   | 8,053,587               | 486,469                               | 8,540,056    |
| 2012                   | 7,897,240               | 517,737                               | 8,414,977    |
| Change<br>2003 - 2012  | 11.66%                  | -26.33%                               | 8.23%        |

**Cunningham Fire Protection District  
Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years  
(Unaudited)**

| <b>Fiscal Year</b> | <b>Real Assessed Value</b> | <b>Real Actual Value</b> | <b>Personal Assessed Value (1)</b> | <b>Personal Actual Value (1)</b> | <b>Mill Levy</b> | <b>Ratio of Total Real Assessed Value to Total Real Actual Value</b> | <b>Residential Property Assessment Ratio</b> |
|--------------------|----------------------------|--------------------------|------------------------------------|----------------------------------|------------------|--|--|
| 2003               | \$ 485,392,560             | \$ 4,452,558,816         | \$ -                               | \$ -                             | 14.667           | 10.90%   | 7.96%  |
| 2004               | 481,257,120                | 5,094,311,139            | -                                  | -                                | 14.632           | 9.45%  | 7.96%  |
| 2005               | 498,884,310                | 5,262,329,727            | -                                  | -                                | 14.624           | 9.48%  | 7.96%  |
| 2006               | 517,408,680                | 5,463,915,731            | -                                  | -                                | 14.651           | 9.47%  | 7.96%  |
| 2007               | 522,293,580                | 5,592,638,358            | -                                  | -                                | 14.623           | 9.34%  | 7.96%  |
| 2008               | 564,882,840                | 6,015,554,484            | -                                  | -                                | 14.673           | 9.39%  | 7.96%  |
| 2009               | 573,518,140                | 6,114,661,825            | -                                  | -                                | 14.620           | 9.38%  | 7.96%  |
| 2010               | 555,395,610                | 5,754,652,102            | 33,877,690                         | 116,818,363                      | 14.636           | 9.65%  | 7.96%  |
| 2011               | 558,772,840                | 5,779,155,524            | 33,665,230                         | 116,085,946                      | 14.620           | 9.67%  | 7.96%  |
| 2012               | 545,348,990                | 5,673,834,366            | 33,210,520                         | 114,517,974                      | 14.772           | 9.61%  | 7.96%  |

Source: Arapahoe County Assessors Office

Taxes assessed and collected by Arapahoe County.

The commercial property assessment ratio is 29% for all years. Source - Department of Local Government - Property Tax Division.

**Cunningham Fire Protection District**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
**(per \$1,000 of assessed value)**  
**(Unaudited)**

|  | 2003   | 2004   | 2005   | 2006   | 2007   | 2008   | 2009   | 2010   | 2011   | 2012   |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <u>Cunningham Fire Protection District</u>           | 14.667 | 14.632 | 14.624 | 14.651 | 14.623 | 14.673 | 14.620 | 14.636 | 14.620 | 14.772 |
| <u>Cities and Towns</u>                              |        |        |        |        |        |        |        |        |        |        |
| City of Aurora                                       | 11.409 | 11.161 | 11.079 | 10.958 | 10.867 | 10.701 | 10.664 | 10.494 | 10.595 | 10.290 |
| City of Centennial                                   | 4.996  | 5.015  | 5.031  | 5.031  | 5.031  | 4.958  | 5.054  | 5.047  | 5.077  | 5.129  |
| <u>Counties</u>                                      |        |        |        |        |        |        |        |        |        |        |
| Arapahoe County                                      | 14.594 | 15.140 | 15.451 | 15.421 | 16.083 | 15.217 | 15.609 | 15.672 | 15.949 | 17.150 |
| <u>School Districts</u>                              |        |        |        |        |        |        |        |        |        |        |
| Cherry Creek School District #5                      | 47.331 | 49.654 | 51.132 | 51.575 | 51.129 | 47.397 | 49.569 | 48.825 | 50.947 | 58.037 |
| <u>Metropolitan Districts</u>                        |        |        |        |        |        |        |        |        |        |        |
| Columbia Metro District                              | 9.244  | 9.244  | 9.244  | 9.244  | 8.244  | 8.196  | 8.196  | 8.196  | 8.196  | 8.196  |
| Copperleaf Metropolitan District No. 2               |        |        |        | 55.000 | 55.000 | 55.000 | 55.000 | 60.000 | 60.000 | 64.000 |
| East Smoky Hill Metro District #1                    | 30.000 | 34.485 | 34.485 | 34.485 | 25.600 | 27.600 | 33.000 | 39.000 | 42.000 | 52.000 |
| East Smoky Hill Metro District #2                    | 17.000 | 15.000 | 15.000 | 15.000 | 15.000 | 15.000 | 15.000 | 15.000 | 16.500 | 16.500 |
| Highline Glen Metro District                         | 27.000 | 27.000 | 25.000 | 25.000 | 25.000 | 23.000 | 23.000 | 23.000 | 23.000 | 20.000 |
| Piney Creek Metropolitan District                    | 15.000 | 13.656 | 13.656 | 13.656 | 13.656 | 13.656 | 13.656 | 13.656 | 13.656 | 13.656 |
| Tallgrass Metropolitan District                      |        |        |        | 40.232 | 50.500 | 51.000 | 51.000 | 53.000 | 56.000 | 59.000 |
| Tallgrass Metropolitan District Bonds Only           |        |        |        |        |        |        |        |        | 53.000 | 56.000 |
| Willow Trace Metropolitan District                   | 39.934 | 44.709 | 44.709 | 44.709 | 37.500 | 37.500 | 37.500 | 37.500 | 37.500 | 37.500 |
| <u>Other Special Districts</u>                       |        |        |        |        |        |        |        |        |        |        |
| Arapahoe County Recreation District                  | 0.676  | 0.748  | 0.793  | 0.832  | 0.856  | 0.816  | 0.846  | 0.795  | 0.821  | 0.905  |
| Arapahoe Park & Recreation District                  | 6.347  | 6.347  | 8.000  | 8.000  | 8.000  | 8.000  | 8.000  | 8.000  | 8.000  | 8.000  |
| Arapahoe Library District                            | 3.695  | 4.916  | 4.900  | 4.963  | 4.893  | 4.814  | 4.827  | 4.783  | 4.869  | 4.903  |
| East Cherry Creek Valley Water & Sanitation District | 6.344  | 4.836  | 4.942  | 4.915  | 4.968  | 4.981  | 4.905  | 4.980  | 5.045  | 5.014  |
| Urban Drainage & Flood Control District              | 0.062  | 0.533  | 0.538  | 0.053  | 0.542  | 0.507  | 0.528  | 0.508  | 0.523  | 0.599  |
| Urban Drainage & Flood Control District South Platte |        | 0.065  | 0.066  | 0.065  | 0.066  | 0.061  | 0.063  | 0.061  | 0.053  | 0.058  |
| <u>Authorities</u>                                   |        |        |        |        |        |        |        |        |        |        |
| Arapahoe Law Enforcement Authority                   | 4.982  | 4.982  | 4.980  | 4.982  | 4.982  | 4.982  | 4.982  | 4.982  | 4.982  | 4.982  |
| Cherry Creek Basin Authority                         | 0.362  | 0.378  | 0.397  | 0.392  | 0.417  | 0.398  | 0.408  | 0.405  | 0.441  | 0.500  |

**Cunningham Fire Protection District  
Principal Property Tax Payers  
Current Year  
(Unaudited)**

|                                    | <b>2012</b>           |             |  |
|------------------------------------|-----------------------|-------------|--|
| <b>Taxpayer</b>                    | <b>Assessed Value</b> | <b>Rank</b> | <b>Percent<br/>of Total<br/>Assessed Value</b> |
| Qwest Corp                         | \$ 18,142,400         | 1           | 3.33%  |
| Public Service Company of Colorado | 11,044,310            | 2           | 2.03%  |
| KFED DOR 85B LLC 52.9312% INT      | 4,457,600             | 3           | 0.82%  |
| Comcast Cable Holdings LLC         | 3,326,910             | 4           | 0.61%  |
| Prospect Village LP                | 2,871,970             | 5           | 0.53%  |
| Hunters Run Holdings               | 2,692,390             | 6           | 0.49%  |
| Advenir@Saddle Rock LLC            | 2,547,190             | 7           | 0.47%  |
| Comcast ABB Mngement Corp          | 2,465,000             | 8           | 0.45%  |
| PCC Partners LLC                   | 2,338,320             | 9           | 0.43%  |
| Latin Quarter Apartments LLC       | 2,152,390             | 10          | 0.39%  |
|                                    | \$ 52,038,480         |             | 9.54%  |

Source: Arapahoe County Assessor's Office

Notes:

(1) The total assessed valuation upon which the 2010 tax levy is based for collection in 2012 is \$545,348,990.

(2) The District does not have data for the 10 years, as this is the 2nd year the District has prepared a CAFR.



**Cunningham Fire Protection District  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
(Unaudited)**

| <b>Fiscal Year</b> | <b>Total Tax Levy</b> | <b>Current Tax Collections</b> | <b>% of Current Taxes Collected</b> | <b>Delinquent Tax Collections</b> | <b>Total Tax Collections</b> | <b>Ratio of Total Tax to Total Tax Levy</b> | <b>Outstanding Delinquent Taxes (1)</b> | <b>Ratio of Delinquent Taxes to Total Tax Levy (1)</b> |
|--------------------|-----------------------|--------------------------------|-------------------------------------|-----------------------------------|------------------------------|---|---|--|
| 2003               | \$ 7,119,253          | \$ 7,081,380                   | 99.47%                              | \$ (8,801)                        | \$ 7,072,579                 | 99.34%                                      |   |  |
| 2004               | 7,041,754             | 7,020,363                      | 99.70%                              | (719)                             | 7,019,644                    | 99.69%                                      |   |  |
| 2005               | 7,295,684             | 7,260,553                      | 99.52%                              | (8,888)                           | 7,251,665                    | 99.40%                                      |   |  |
| 2006               | 7,580,555             | 7,560,576                      | 99.74%                              | (10,012)                          | 7,550,564                    | 99.60%                                      |   |  |
| 2007               | 7,637,499             | 7,602,443                      | 99.54%                              | (16,046)                          | 7,586,397                    | 99.33%                                      |   |  |
| 2008               | 8,288,526             | 8,269,451                      | 99.77%                              | (4,851)                           | 8,264,600                    | 99.71%                                      |   |  |
| 2009               | 8,384,835             | 8,349,341                      | 99.58%                              | (10,186)                          | 8,339,155                    | 99.46%                                      |   |  |
| 2010               | 8,128,770             | 8,077,483                      | 99.37%                              | (1,396)                           | 8,076,087                    | 99.35%                                      |   |  |
| 2011               | 8,169,259             | 8,081,071                      | 98.92%                              | (27,484)                          | 8,053,587                    | 98.58%                                      |   |  |
| 2012               | 8,055,895             | 7,924,085                      | 98.36%                              | (26,845)                          | 7,897,240                    | 98.03%                                      |   |  |

(1) Arapahoe County collects the taxes for all property tax levies. The record of delinquent taxes is maintained by the County, however, the District's individual delinquent taxes are unavailable.

**Cunningham Fire Protection District  
Ratios of Outstanding Debt by Type  
Last Ten Years  
(Unaudited)**

**Governmental  
Activities**

| <b>Fiscal<br/>Year</b> | <b>Capital<br/>Leases (1)</b> | <b>Percentage of<br/>Actual Value of<br/>Taxable Property</b> | <b>Per<br/>Capita (2)</b> |
|------------------------|-------------------------------|---|---------------------------|
| 2003                   | \$ 1,065,363                  | 0.0239%   | 2.07                      |
| 2004                   | 817,381                       | 0.0160%   | 1.56                      |
| 2005                   | 713,085                       | 0.0136%   | 1.34                      |
| 2006                   | 2,067,431                     | 0.0378%   | 3.81                      |
| 2007                   | 1,924,412                     | 0.0344%   | 3.46                      |
| 2008                   | 2,226,224                     | 0.0370%   | 3.96                      |
| 2009                   | 1,969,423                     | 0.0322%   | 3.45                      |
| 2010                   | 1,702,964                     | 0.0296%   | 2.98                      |
| 2011                   | 1,426,470                     | 0.0247%   | 2.45                      |
| 2012                   | 1,555,276                     | 0.0274%   | 2.61                      |

**Notes:**

(1) Details regarding the District's outstanding debt can be found in the notes to the financial statements.

(2) Per Capita is based on the total population for Arapahoe County.

**Cunningham Fire Protection District  
Direct and Overlapping Governmental Activities Debt  
As of December 31, 2012**

|   | <b>Net Debt<br/>Outstanding</b> | <b>Percentage<br/>Applicable<br/>to District</b> | <b>Amount<br/>Applicable<br/>to District</b> |
|---|---------------------------------|--|--|
| <b>DIRECT:</b>                            |                                 |  |  |
| Cunningham Fire Protection District       | \$ 1,555,276                    | 100%   | \$ 1,555,276                                 |
| <b>OVERLAPPING:</b>                       |                                 |  |  |
| Arapahoe Park & Recreation District       | 11,650,000                      | 90%  | 10,485,000                                   |
| Cherry Creek School District #5           | 563,905,000                     | 35%  | 197,995,504                                  |
| City of Aurora                            | 14,180,000                      | 1%   | 141,800                                      |
| Columbia Metro District                   | 935,000                         | 100%   | 935,000                                      |
| Copperleaf Metropolitan District No. 2    | 26,875,000                      | 100%   | 26,875,000                                   |
| East Smoky Hill Metro District #1         | 3,920,000                       | 100%   | 3,920,000                                    |
| East Smoky Hill Metro District #2         | 7,765,000                       | 100%   | 7,765,000                                    |
| Highline Glen Metro District              | 120,000                         | 100%   | 120,000                                      |
| Piney Creek Metropolitan District         | 2,490,000                       | 90%  | 2,241,000                                    |
| Tallgrass Metropolitan District           | 17,430,000                      | 100%   | 17,430,000                                   |
| Willow Trace Metropolitan District        | 9,225,000                       | 100%   | 9,225,000                                    |
|   | <u>\$ 658,495,000</u>           |  | <u>\$ 277,133,304</u>                        |
| Total Overlapping General Obligation Debt |                                 |  | <u>\$ 277,133,304</u>                        |
| Total Direct and Overlapping Debt         |                                 |  | <u>\$ 278,688,580</u>                        |

(1) Overlapping jurisdictions without general obligation debt are not listed

(2) Percentage used to calculate overlapping debt is self-reported by individual governments and/or determined by evaluating each jurisdiction's assessed value located within the boundaries of Cunningham Fire Protection District

**Cunningham Fire Protection District  
Legal Debt Margin Information  
Last Ten Fiscal Years**

(Unaudited)

|  | <u>2003</u>           | <u>2004</u>           | <u>2005</u>           | <u>2006</u>           | <u>2007</u>           | <u>2008</u>           | <u>2009</u>           | <u>2010</u>           | <u>2011</u>           | <u>2012</u>           |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Total assessed value                         | <u>\$ 485,392,560</u> | <u>\$ 481,257,120</u> | <u>\$ 498,884,310</u> | <u>\$ 517,408,680</u> | <u>\$ 522,293,580</u> | <u>\$ 564,882,840</u> | <u>\$ 573,518,140</u> | <u>\$ 555,395,610</u> | <u>\$ 558,772,840</u> | <u>\$ 545,348,900</u> |
| Debt limit - 50% of total assessed value (1) | <u>\$ 242,696,280</u> | <u>\$ 240,628,560</u> | <u>\$ 249,442,155</u> | <u>\$ 258,704,340</u> | <u>\$ 261,146,790</u> | <u>\$ 282,441,420</u> | <u>\$ 286,759,070</u> | <u>\$ 277,697,805</u> | <u>\$ 279,386,420</u> | <u>\$ 272,674,450</u> |
| Amount of debt applicable to debt limit      | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Less amount available for debt service       | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Net amount of debt applicable to debt limit  | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Legal debt margin                            | <u>\$ 242,696,280</u> | <u>\$ 240,628,560</u> | <u>\$ 249,442,155</u> | <u>\$ 258,704,340</u> | <u>\$ 261,146,790</u> | <u>\$ 282,441,420</u> | <u>\$ 286,759,070</u> | <u>\$ 277,697,805</u> | <u>\$ 279,386,420</u> | <u>\$ 272,674,450</u> |

(1) Colorado Revised Statutes

**Cunningham Fire Protection District  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

| <b>Fiscal Year</b> | <b>Population</b> | <b>Per Capita Income</b> | <b>Median Age</b> | <b>Education Level (1)</b> | <b>School Enrollment</b> | <b>Unemployment Rate</b> |
|--------------------|-------------------|--------------------------|-------------------|----------------------------|--------------------------|--------------------------|
| 2002               | 502,814           | \$ 43,109                | 34.2              | 37.03%                     | 109,252                  | 5.7%                     |
| 2003               | 515,206           | 45,013                   | 34.5              | 37.03%                     | 110,160                  | 5.7%                     |
| 2004               | 524,414           | 46,645                   | 34.5              | 37.03%                     | 110,241                  | 5.6%                     |
| 2005               | 531,741           | 47,039                   | 34.5              | 37.03%                     | 111,603                  | 5.0%                     |
| 2006               | 543,033           | 49,458                   | 34.5              | 37.03%                     | 112,785                  | 5.0%                     |
| 2007               | 556,481           | 50,947                   | 36.1              | 37.03%                     | 114,617                  | 4.3%                     |
| 2008               | 562,009           | 50,727                   | 36.2              | 37.03%                     | 116,251                  | 5.0%                     |
| 2009               | 570,235           | 48,480                   | 36.5              | 37.03%                     | 117,158                  | 7.3%                     |
| 2010               | 574,529           | 47,704                   | 36.8              | 37.90%                     | 120,315                  | 8.8%                     |
| 2011               | (2) 582,106       | (2) 48,989               | 36.0              | 37.90%                     | 121,503                  | 7.9%                     |

Arapahoe County, Colorado

Source: <http://www.co.arapahoe.co.us/Departments/FI>

(1) Source: 2000 and 2010 U.S. Census for Arapahoe County

(2) Source: U.S. Bureau of Economic Analysis for Arapahoe County

| <b>Fiscal Year</b> | <b>Population</b> | <b>Per Capita Income</b> | <b>Median Age</b> | <b>Education Level (1)</b> | <b>School Enrollment</b> | <b>Unemployment Rate</b> |
|--------------------|-------------------|--------------------------|-------------------|----------------------------|--------------------------|--------------------------|
| 2010               | 70,223            | \$40,635                 | 33.5              | 47.24%                     | 20,245                   | 3.65%                    |

Cunningham Fire Protection District

Source: <http://www.clrsearch.com> community demographics by zip code

**Cunningham Fire Protection District  
Principal Employers  
Current Year and Nine Years Ago**

| <u>Employer</u>               | 2011             |             |  | 2001             |             |  |
|-------------------------------|------------------|-------------|--|------------------|-------------|--|
|                               | <u>Employees</u> | <u>Rank</u> | <u>Percentage of<br/>Total County<br/>Employment</u> | <u>Employees</u> | <u>Rank</u> | <u>Percentage of<br/>Total County<br/>Employment</u> |
| Cherry Creek School District  | 7,800            | 1           | 2.81%  | 7,375            | 1           | 2.65%  |
| Adams Arapahoe Aurora Schools | 5,500            | 2           | 1.98%  | 4,325            | 2           | 1.55%  |
| City of Aurora                | 3,325            | 3           | 1.20%  | 3,275            | 3           | 1.17%  |
| Littleton School District     | 2,200            | 4           | 0.79%  | 2,500            | 4           | 0.90%  |
| Raytheon Company              | 2,200            | 5           | 0.79%  | 1,800            | 8           | 0.65%  |
| Qwest                         | 2,100            | 6           | 0.76%  | 0                | 7           | 0.00%  |
| Arapahoe County               | 1,950            | 7           | 0.70%  | 1,725            | 9           | 0.62%  |
| Columbia HCA of Denver        | 1,850            | 8           | 0.67%  | 2,075            | 6           | 0.74%  |
| Echosphere                    | 1,700            | 9           | 0.61%  | 2,025            | 7           | 0.73%  |
| ADT Security Systems Inc      | 1,600            | 10          | 0.58%  | 1,500            | 10          | 0.54%  |
| Great West Life & Annuity Ins | -                |             | 0.00%  | 2,300            | 5           | 0.83%  |
|                               | <u>30,225</u>    |             | <u>10.89%</u>  | <u>28,900</u>    |             | <u>10.38%</u>  |

Source: Arapahoe County 2011 Principal Employers list; accurate employer data is unavailable for Cunningham Fire Protection District

**Cunningham Fire Protection District**  
**Full-time Equivalent District Government Employees by Function/Program**  
**Last Ten Fiscal Years**

| <b>Function/Program</b>   | <b>2003</b> | <b>2004</b> | <b>2005</b> | <b>2006</b> | <b>2007</b> | <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Fire Prevention           | 4.0         | 4.0         | 4.0         | 3.0         | 4.0         | 4.0         | 4.0         | 2.0         | 3.0         | 3.0         |
| Field Operations          | 51.0        | 56.0        | 55.0        | 58.0        | 56.0        | 60.0        | 60.0        | 56.0        | 54.0        | 53.0        |
| Transport                 | 6.0         | 6.0         | 6.0         | 6.0         | 6.0         | 6.0         | 6.0         | 6.0         | 6.0         | 6.0         |
| Administration/Accounting | 11.0        | 11.0        | 11.0        | 12.0        | 11.0        | 12.0        | 12.0        | 12.7        | 11.7        | 11.0        |
| <b>Total FTE</b>          | <b>72.0</b> | <b>77.0</b> | <b>76.0</b> | <b>79.0</b> | <b>77.0</b> | <b>82.0</b> | <b>82.0</b> | <b>76.7</b> | <b>74.7</b> | <b>73.0</b> |

Note: FTE counts are based on the last quarter UTR.

**Cunningham Fire Protection District  
Operating Indicators by Function/Program  
Last Ten Fiscal Years**

|   | 2003   | 2004   | 2005   | 2006   | 2007   | 2008   | 2009   | 2010   | 2011   | 2012   |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>Field Operations</b>                   |        |        |        |        |        |        |        |        |        |        |
| Non-fire calls                            | 1,282  | 1,298  | 1,216  | 1,304  | 1,198  | 1,085  | 1,091  | 1,080  | 1,112  | 1,307  |
| Fire calls                                | 107    | 103    | 112    | 109    | 78     | 137    | 98     | 114    | 111    | 81     |
| Emergency medical or rescue calls         | 2,632  | 2,636  | 2,634  | 2,633  | 2,730  | 2,641  | 2,793  | 2,727  | 2,948  | 3,043  |
| <b>Support Services</b>                   |        |        |        |        |        |        |        |        |        |        |
| Square footage of building maintained     | 33,749 | 33,749 | 33,749 | 45,049 | 45,049 | 45,049 | 45,049 | 45,049 | 45,049 | 45,049 |
| <b>Community Safety Services</b>          |        |        |        |        |        |        |        |        |        |        |
| Fire investigations (1)                   | 46     | 54     | 29     | 29     | 14     | 26     | 37     | 26     | 28     | 28     |
| Plan reviews                              | 35     | 50     | 38     | 23     | 28     | 35     | 39     | 47     | 45     | 101    |
| Business inspections                      |        |        |        |        |        |        |        |        |        |        |
| Primary                                   | 1,248  | ◆      | 836    | 838    | 825    | 1,202  | 1,292  | 1,491  | 1,213  | 1,253  |
| Follow-up                                 | ◆      | ◆      | 425    | 402    | 583    | 432    | 718    | 823    | 578    | 731    |
| Permits                                   | 161    | 153    | 141    | 87     | 124    | 125    | 157    | 129    | 121    | 76     |
| Burn/firework permits                     | 7      | 7      | 6      | 6      | 6      | 6      | 6      | 7      | 7      | 2      |
| <b>Ambulance</b>                          |        |        |        |        |        |        |        |        |        |        |
| EMS transports                            | 1,950  | 1,888  | 1,947  | 1,876  | 1,819  | 1,778  | 1,939  | 1,855  | 2,032  | 2,131  |
| Transport Receiving Hospital %            |        |        |        |        |        |        |        |        |        |        |
| Medical Center Aurora South               | ◆      | ◆      | ◆      | ◆      | ◆      | 36.99% | 39.66% | 46.10% | 53.94% | 49.46% |
| Parker Adventist Hospital                 | ◆      | ◆      | ◆      | ◆      | ◆      | 31.58% | 31.41% | 29.98% | 28.74% | 27.36% |
| Swedish Medical Center                    | ◆      | ◆      | ◆      | ◆      | ◆      | 10.86% | 7.90%  | 6.17%  | 7.33%  | 8.92%  |
| University Hospiptial (Anschultz)         | ◆      | ◆      | ◆      | ◆      | ◆      | 4.09%  | 3.95%  | 3.77%  | 3.25%  | 3.05%  |
| Denver Porter                             | ◆      | ◆      | ◆      | ◆      | ◆      | 3.99%  | 3.80%  | 3.42%  | 3.15%  | 2.16%  |
| Rose Medical Center                       | ◆      | ◆      | ◆      | ◆      | ◆      | 3.52%  | 4.39%  | 2.96%  | 3.00%  | 3.43%  |
| All Others                                | ◆      | ◆      | ◆      | ◆      | ◆      | 8.97%  | 8.88%  | 7.60%  | 0.59%  | 5.63%  |
| Collection Rate                           | 68.58% | 57.28% | 49.93% | 47.15% | 43.64% | 48.46% | 46.82% | 49.31% | 45.44% | 0.00%  |
| <b>Public Education/Community Affairs</b> |        |        |        |        |        |        |        |        |        |        |
| Events at Fire Stations                   | ◆      | ◆      | 73     | 71     | 53     | 57     | 82     | 52     | 47     | 69     |
| School or Community Events                | ◆      | ◆      | 8      | 14     | 13     | 39     | 53     | 20     | 19     | 31     |
| Other                                     | ◆      | ◆      | 3      | 1      | 19     | 31     | 73     | 14     | 41     | 30     |
| Estimated Open House Attendance           | ◆      | ◆      | 750    | 750    | 500    | 700    | 700    | 400    | 300    | 200    |

(1) Data for years 2003 through 2004 is from a different system that does not separate Bureau investigations.

◆ Information not available.



**Cunningham Fire Protection District  
Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years**

|                                  | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|----------------------------------|------|------|------|------|------|------|------|------|------|
| <b>Fire Prevention</b>           |      |      |      |      |      |      |      |      |      |
| Staff Vehicle                    | 3    | 3    | 3    | 3    | 3    | 4    | 4    | 4    | 4    |
| Fire Safety Trailer              | 1    | 1    | 1    | 1    | 1    | 0    | 0    | 0    | 0    |
| <b>Field Operations</b>          |      |      |      |      |      |      |      |      |      |
| Fire Stations                    | 3    | 3    | 3    | 3    | 3    | 3    | 3    | 3    | 3    |
| Pumper                           | 5    | 5    | 5    | 5    | 5    | 5    | 5    | 5    | 5    |
| Quint                            | 0    | 0    | 0    | 0    | 0    | 1    | 1    | 1    | 1    |
| Brush Truck                      | 2    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    |
| Chief Vehicle                    | 1    | 1    | 2    | 2    | 2    | 2    | 2    | 2    | 2    |
| Utility Vehicle                  | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    |
| Other Vehicles/Trailers          | 1    | 1    | 1    | 1    | 1    | 2    | 2    | 2    | 2    |
| <b>Transport</b>                 |      |      |      |      |      |      |      |      |      |
| Medic/Rescue                     | 5    | 5    | 5    | 5    | 5    | 5    | 5    | 6    | 5    |
| Chief Vehicle                    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    |
| <b>Administration/Accounting</b> |      |      |      |      |      |      |      |      |      |
| Administration Building          | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    |
| Quartermaster Station            | 0    | 0    | 0    | 1    | 1    | 1    | 1    | 1    | 1    |
| Chief Vehicle                    | 3    | 4    | 4    | 4    | 5    | 5    | 5    | 5    | 5    |
| Training Officer Vehicle         | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    |
| Staff Vehicle                    | 1    | 1    | 1    | 1    | 1    | 2    | 2    | 2    | 2    |