



SOUTH METRO FIRE RESCUE
Regular Board of Directors' Meeting
July 10, 2023
9195 East Mineral Avenue, Centennial, CO

I. REGULAR BOARD MEETING – 6:00 P.M. – Board Room

A. MEETING CALL TO ORDER

B. PLEDGE OF ALLEGIANCE

C. ROLL CALL

D. PUBLIC COMMENT

Public Conduct at Meetings. Comments by members of the public shall be made only during the “Public Comment” portion of the meeting or a specified “Public Hearing,” and shall be limited to three minutes per individual and five minutes per group spokesperson unless additional opportunity is given at the Board’s discretion. Each member of the public wishing to speak shall identify themselves by name, address, and agenda item, if any, to be addressed. Disorderly conduct, harassment, or obstruction of or interference with meetings by physical action, verbal utterance, nuisance or any other means are prohibited. Such conduct may result in removal of person(s) responsible for such behavior from the meeting, a request for assistance from law enforcement, and criminal charges filed against such person(s).

E. CONSENT AGENDA

Consent Agenda items are provided for study in the Board packets and introduced in the General Session for the Board’s review. They can be adopted by a single motion. All resolutions and proposed actions must be read by title prior to a vote on the motion. Any Consent Agenda items may be removed at the request of a Director and heard separately or tabled.

1. June 5, 2023 South Metro Fire Rescue Fire Protection District Regular Board Meeting Minutes
2. June 19, 2023 South Metro Fire Rescue Fire Protection District Special Board Meeting Minutes

F. DISCUSSION ITEMS

1. SMFR 2022 Audit and Annual Comprehensive Financial Report – Miskimins

G. ACTION ITEMS

1. May 2023 Financial Statements – Miskimins
2. Colorado Special Districts Property and Liability Pool Repayment Agreement – Miskimins

H. INFORMATION ITEMS

1. Incidents & Events – Curtis
 - i. July 4th Recap
 - ii. Tornado Recap
 - iii. Station 15 Closure
2. IGA Update – Dell’Orfano
 - i. None reported

I. EXECUTIVE SESSION (upon motion)

J. NEXT MEETING(S)

Special Board of Directors' Meeting to be held on July 17, 2023, 6:00 p.m., JSF, 17801 East Plaza Drive, Parker, CO.

Regular Board of Directors' Meeting to be held on August 7, 2023, 6:00 p.m. at 9195 East Mineral Avenue, Centennial, CO.

K. ADJOURNMENT

South Metro Fire Rescue Fire Protection District
Regular Board of Directors' Meeting Minutes
June 5, 2023

Present:

Jim Albee, Chair	Bob Baker, Fire Chief (absent)
Renee Anderson, Vice Chair	Mike Dell'Orfano, Chief Govt. Affairs Officer
Rich Sokol, Treasurer	John Curtis, Deputy Chief – Emergency Services
Sue Roche, Secretary	Jon Adams, Deputy Chief - Internal Services (absent)
Kevin Leung	Kristin Eckmann, Deputy Chief – Community Services
William Shriver	Dillon Miskimins, CFO Business Services
Bruce Stahlman	Camie Chapman, CHRO Employee Services (absent)
	Bob Cole, Legal Counsel

Others Present: SMFR Staff Members and Citizens

MEETING CALL TO ORDER

Chair Albee called the Regular Meeting of the South Metro Fire Rescue Fire Protection District to order at 6:05 p.m. and welcomed everyone to the meeting.

PLEDGE OF ALLEGIANCE

Chair Albee led the Pledge of Allegiance to the Flag of the United States of America.

ROLL CALL

All of the Board members were present in person.

APPROVAL OF THE AGENDA

A motion was made by Renee Anderson and seconded by Sue Roche to approve the agenda as presented. All were in favor and the motion carried.

PUBLIC COMMENT

N/A

CONSENT AGENDA

May 1, 2023 South Metro Fire Rescue Fire Protection District Regular Board Meeting Minutes
May 15, 2023 South Metro Fire Rescue Fire Protection District Special Board Meeting Minutes

Director Sokol stated he was absent from the May 1st meeting and Director Shriver stated that he was absent from the May 15th meeting and requested the consent agenda items be approved separately.

A motion was made by William Shriver and seconded by Bruce Stahlman to approve the May 1, 2023 South Metro Fire Rescue Fire Protection District Regular Board Meeting Minutes as presented. All were in favor and the motion carried. Rich Sokol's absence was excused.

A motion was made by Kevin Leung and seconded by Renee Anderson to approve the May 15, 2023 South Metro Fire Rescue Fire Protection District Special Board Meeting Minutes as presented. All were in favor and the motion carried. William Shriver's absence was excused.

ACTION ITEMS

Election of Officers – Chief Dell’Orfano reminded that per the SMFR district bylaws, the Board shall elect officers at the first regular meeting after the election or “at such times as deemed appropriate” by the Board. The positions to be elected include Chair, Vice-Chair, Secretary, and Treasurer.

Chair: Renee Anderson nominated Jim Albee to continue as Chair and Kevin Leung seconded the nomination. Jim Albee accepted the nomination. All were in favor and Jim Albee was elected as Chair.

Vice-Chair: Kevin Leung nominated Renee Anderson to continue as Vice-Chair and Sue Roche seconded the nomination. Renee Anderson accepted the nomination. All were in favor and Renee Anderson was elected as Vice-Chair.

Secretary: Rich Sokol nominated Sue Roche to continue as Secretary and Kevin Leung seconded the nomination. Sue Roche accepted the nomination. All were in favor and Sue Roche was elected as Secretary.

Treasurer: Rich Sokol self-nominated for the position of Treasurer and Renee Anderson seconded the nomination. William Shriver self-nominated to continue as the Treasurer and Kevin Leung seconded the nomination. Rich Sokol and William Shriver each provided a short bio and reason that they feel they are the best candidate for the position. Renee Anderson and Kevin Leung provided their reasoning for seconding the nominations.

The Board agreed to write a name on a piece of paper and Chief Dell’Orfano would be the judge to determine who would serve in the position.

With a vote of 4 to 3 the Treasurer position went to Rich Sokol. The Board thanked William Shriver for his service as the Treasurer.

April 2023 Financial Statements – CFO Miskimins presented the financial statements executive summary:

- Fund balance increased by approximately \$6.7M compared to March bringing fund balance to a total of \$92.9M.
- Through April, the District has collected \$76.7M in property and \$3.3M in specific ownership tax revenue, which reflects 61.61% collection vs. 62.49% last year for property taxes, and 34.15% vs. 30.05% for specific ownership taxes.
- As of April 30th, the District has expended \$52.9M in the General Fund related to operations or 32.36% of the annual budget.
- Ambulance transports have exceeded 2023 budget expectations by 415 transports, for total number of transports of 7,985 through April. The District’s net revenue is \$715K over the year-to-date budgeted amount and \$1.1M more than the same period last year, though a large portion of this rise is due to increase in base fees. Total bad debt has increased in 2023 as compared to 2022. Through April this year, bad debt as a % of net revenue is at 24.5% as compared to 22.3% in 2022. Collections received as % of bad debt is at 6.12% through April this year as compared to 10.05% in 2022.
- The District received first quarter excise taxes totaling \$148,412.
- Through April, the District has billed approximately \$793K in Plan Review Fees or 34.46% of the total budgeted amount.
- Through April, the District has expended \$6.8M or 38.8% of our total budgeted expenditures in the Capital Fund.
- The District placed in service both new ARFF units and Pierce KW Tender in the total amount of \$2.5M. This amount was previously recorded in the prepaids account and has been expensed in the “vehicles and apparatus” line of the Capital Projects Fund.
- The District invested \$25M held in CSIP account in a 6-months maturity at 5.29% interest rate.

At Director Shriver’s request, CFO Miskimins stated that as a part of the analysis to determine the appropriate amount of funds needed to lock into a longer annuity, some of the cash needs are in short-term investments and, therefore, left in the Capital Funds account. CFO Miskimins added that the cash flow is in itself conservative but made even more conservative in that it was locked a month ago when construction was supposed to begin so a bell curve analysis was built in for the construction of Station 15.

Director Sokol expressed appreciation for the market-to-market information and at his request, CFO Miskimins stated that the positive market was likely because it was before the most recent rate hike as the rates had been decreasing or held flat for that time period but expect it will increase in the May report. CFO Miskimins added it could also be because of maturities and reinvestments of maturities.

At Director Sokol's request, CFO Miskimins stated that we used to include the amounts that we were going to write off as part of the bad debt but that has since been corrected to be exactly what we have sent to collections. The quarterly meeting with the collection agency is next week and they will provide the updated statistics which will be included in the July board packet. At Chair Albee's request, CFO Miskimins confirmed that the 24.5% is the overall net revenue. At the Board's request, CFO Miskimins will provide the exact bad debt numbers to the Board.

At Director Anderson's request, CFO Miskimins stated that he believes he provided the miscellaneous breakdown expense only to Director Stahlman but he will send it to the entire Board.

A motion was made by Rich Sokol and seconded by William Shriver to accept the April 2023 Financial Statements as presented. All were in favor and the motion carried.

Castle Pines URA – Chief Dell'Orfano reminded that during the February 6, 2023 board meeting, the city manager and mayor of Castle Pines expressed the city's desire to establish a URA and provided an overview of the boundaries, desired intent, estimated financial impact, and key processes. On May 9, 2023, the city council adopted Resolution No. 23-26 creating the URA. One commissioner of the URA is required to be a representative of the special districts levying a mill levy within the boundaries of the URA. The SMFR board has previously expressed interest in being the special district representative. Staff has reached out to the special districts expressing our interest and is waiting to hear back on their level of support. The city has asked for the selection to occur by June 19th. Contingent on agreement from the other special districts that SMFR will be the representative, Staff requests the Board select which SMFR Board member will be appointed. Meetings will start on September 5th and they will meet the first Tuesday of each month.

Director Leung expressed interest in serving as a commissioner since he is very familiar with the area, served on Parker's Authority for Reinvestment Advisory Committee for six years and is happy to represent SMFR.

Director Sokol summarized the Parker URA and their blight of open fields allowing all new commercial construction, their ability to keep incremental increase in taxes, & the actions taken to get legislation approved to prevent URA's from egregious actions and allows for binding mediation. Director Sokol stated that he would be happy to serve as the commissioner representing SMFR.

After discussion and determining the availability of other Board members, Director Sokol stated that he was fine with Director Leung serving as the commissioner.

Rich Sokol moved to appoint Kevin Leung as a Commissioner to the City of Castle Pines Urban Renewal authority, contingent on the other special districts in the city agreeing to South Metro Fire Rescue's representation. Chair Albee seconded. All were in favor and the motion carried.

Director Stahlman noted that blighted has a wide variety of definitions & Chief Dell'Orfano agreed and stated that there are specifics outlined that these are areas that are difficult to develop.

Lobbyist Selection Process – Chief Dell'Orfano reminded that during the March 6th Board meeting, the Board expressed interest in contracting with a legislative lobbyist. Examples of future legislation to be pursued by staff include clean-up in election laws, firearms, service plans, and monitoring the need for November elections. Staff recommended waiting until the end of the 2023 legislative session to begin soliciting lobbyists. The initial steps of the selection process will include a Request for Proposals. Staff will begin the process of selecting a lobbyist to assist the organization on a contractual basis in navigating, tracking, and crafting legislation, providing updates to the board, and building relationships with state

representatives and senators. This action item is to gauge the board's interest in participating in the selection process and appoint board members as applicable.

Director Sokol informed that his company hired a lobbyist that worked for several years down at the Capital and believes that SMFR is large enough that it would be a good idea as long as the fee is reasonable or tiered. Director Roche stated that she was involved with a much smaller fire organization that hired a lobbyist and thought the cost was outrageous; however, with the cost of the District's recent election thinks it will be worthwhile. Directors Anderson and Roche offered to assist Staff.

A motion was made by Jim Albee and seconded by Kevin Leung to appoint Renee Anderson and Sue Roche to assist staff in the selection of a contract lobbyist and report to the board on the results of the selection process. All were in favor and the motion carried.

DISCUSSION ITEMS

Station 15 – CFO Miskimins stated that at the Board's request, the full rebuild cost estimate was provided to the Board shortly after the last meeting. In the Board's packet is a Talking Points for Costs for Station 15 Rebuild that the Board had also requested as a tool to help relay the information to their constituents. RFPs are due tomorrow so on Wednesday will be able to see the results and RLB is teed up to do any reconciliations of the bid, if that is necessary, in order to make sure that Staff is comparing apples to apples & can bring a recommendation to the next Board meeting.

At Director Sokol's request, CFO Miskimins explained the reasoning behind hiring an architect to create a fully designed fire station, without a general contractor and using the hard bid construction process. A discussion ensued regarding the potential cost savings of using cost plus construction agreement.

The Board directed Staff reach out to RLB to see if there are any adjustments that can be made to the construction costs and if we are able to switch to cost plus process at this stage of the project. Staff will also bring back a comparison of prior SMFR stations and some information that has already been shared about station builds of area departments. The Board also requested that Staff provide a summary of each of the bids received when they present their recommendation at the next meeting.

INFORMATION ITEMS

Election Costs Overview - Chief Dell'Orfano referred to the spreadsheet in the Board packet, noting that the May 2023 election for four seats came in at \$493,380. Keeping in mind that, if we could have cancelled the three uncontested districts, we would save a significant chunk of the printing and postage costs, but that occurs after the self-nomination period is done, creating the lists and administrative work is already done, so it's really the nuts and bolts of creating and mailing ballots is where the cost savings would occur. The District would probably have saved \$260,000 - \$270,000 if we could have cancelled the uncontested seats. Staff will be reaching out to the counties as we head to an odd year election to see how they will be able to better assist us with the 2025 election. Douglas County is already on board with doing a coordinated election for all of the special districts and help us determine any cost savings and whether a November election should be pursued.

IGA Update – Chief Dell'Orfano reported that there was one IGA signed with the Colorado Mountain Local College District EMS Clinical affiliation, which is actually a district, so basically when they have paramedic students, they study with us and do ride-alongs with our crews.

Correspondence items in the Board's packet are summarized below as well as other information items that were communicated:

- Chief Curtis thanked Chair Albee for attending the National Fire and Emergency Services Symposium in Washington, DC, allowing for the chance to combine efforts. Chair Albee added that they took every opportunity to meet with the staff members of the Senators and Representatives to discuss first responder wellness, safety, public protection and funding and he believes they made a good impression & the message was well-received. He provided an overview of the symposiums, seminars and sessions and the initiatives some departments have

taken to creating partnerships with nursing organizations and other health care resources. SMFR is very lucky to not have the challenges that some departments have; however, there are other departments that are ahead of us and we need to keep it on our radar that there are other ways to do things and it will likely be a significant expansion of services.

- Chief Eckmann reported that the open house for the closing of Station 15 went really well and good feedback has been received. She thanked the Board for allowing it to happen.
- Chief Eckmann stated that the women's leadership conference went very well. There were 120 females from around the country. She thanked Director Anderson and Local 2086 President Dzengelewski for speaking at the conference & thanked the Board for allowing SMFR to host it this year.
- Chief Eckmann reminded that the Annual Remembrance Ceremony is scheduled for June 24th here at Mineral HQ. The Board will be receiving information about the event soon.
- Chief Powell reported that 35 recruits graduated on Friday; 21 will go on line on Sunday and the rest are in EMT training and will go on line in mid-July. Director Stahlman complimented Chief Curtis on a well-done graduation ceremony and that he thought his commencement address was tremendous.
- Chief Tasker reported that there was a house fire and a two-alarm multi-unit building on Friday. The crews did an amazing job and there were no injuries. Director Sokol stated that as a result of the multi-unit fire, a young couple has lost everything and have started a Go Fund Me account for anyone who wants to donate.
- Director Roche commended Chief Powell for the recent recruitment session that was conducted. Her son attended and was very impressed.
- Director Shriver reminded that Parker held a State of the Town and there were two honorees, one of which was Chief Baker and although Chief was unable to attend, the presentation reflected well on him and SMFR.
- A thank you note was received for SMFR's assistance on the wildland fire near Simla, CA.
- A thank you note was received from Dinosaur Ridge for SMFR's assistance on the Hogback Fire on March 31st.
- A thank you letter was received for Tower 18, Medic 18 and Battalion 1 for their quick response and the compassion and kindness that was extended during a call for help on April 22nd in Highlands Ranch.
- A thank you letter was received for a VIP Station Tour that was provided to the Indian Ridge Elementary School for their online auction.
- A thank you note was received from Legal Counsel Cole's wife for the bouquet of flowers from SMFR wishing her a quick recovery.
- A thank you note was received for Chief Baker from the Southeast Christian Church in Parker for his participation as a speaker at the Parker National Day of Prayer.
- Local 2086 President Dzengelewski:
 - No report.

EXECUTIVE SESSION (UPON MOTION)

N/A

NEXT MEETING

The next Special South Metro Fire Rescue District Board of Directors' meeting will take place on June 19, 2023 at 6:00 p.m. at a to be determined location.

The next Regular South Metro Fire Rescue District Board of Directors' meeting will take place on July 10, 2023, at 6:00 p.m. at 9195 East Mineral Avenue, Centennial, CO.

ADJOURNMENT

Chair Albee adjourned the meeting at 8:27 p.m.

Attested by: _____

Date: _____

South Metro Fire Rescue Fire Protection District
Special Board of Directors' Meeting Minutes
June 19, 2023

Present:

Jim Albee, Chair	Bob Baker, Fire Chief
Renee Anderson, Vice Chair	Mike Dell'Orfano, Chief Govt. Affairs Officer
Rich Sokol, Treasurer	John Curtis, Deputy Chief – Emergency Services
Sue Roche, Secretary	Jon Adams, Deputy Chief - Internal Services (absent)
Kevin Leung	Kristin Eckman, Deputy Chief – Community Services
William Shriver	Dillon Miskimins, CFO Business Services
Bruce Stahlman	Camie Chapman, CHRO Employee Services (absent)
	Bob Cole, Legal Counsel

Others Present: SMFR Staff Members & Guests

MEETING CALL TO ORDER

Chair Albee called the Special Meeting of the South Metro Fire Rescue Fire Protection District to order at 6:09 p.m. and welcomed everyone to the meeting.

PLEDGE OF ALLEGIANCE

Chair Albee led the Pledge of Allegiance to the Flag of the United States of America.

ROLL CALL

All of the Board members were present in person.

APPROVAL OF THE AGENDA

A motion was made by Renee Anderson and seconded by William Shriver to approve the agenda as presented. All were in favor and the motion carried.

PUBLIC COMMENT

N/A

PARTNER UPDATE

City of Centennial – Councilwoman Robyn Carnes, representing District 1, thanked the personnel that responded to the Glen Oaks and house fire on June 2nd. She is going into her second year with the Centennial City Council and expressed appreciation for the partnership with SMFR. After providing an overview of home rule versus state rule and why the City is working hard to maintain its home rule status, despite proposed legislation, because they believe the locals know best. Councilwoman Carnes outlined some new services and upcoming events, including:

- A new Centennial app was introduced called “My Centennial” which is free and provides residents with another option to submit service requests and report problems to the City.
- Partnership with YMCA for a Multi-Generational Center at Southglenn to offer a range of programs for all ages.
- A new Homeless Outreach Liaison, Vanessa Gates, will be helping to take a proactive stance on what to do when you see a homeless person by partnering with various agencies to get them the resources that they need.
- The City has initiated a Yard Sign Community Education program to support and raise awareness to traffic related safety.
- The City is seeing a mass migration of businesses into Centennial & a lot is happening which is good for all.
- Looking for a District 1 representative. The council election is this November, so if anyone is interested, please reach out to her.

At Director Sokol's request, Councilwoman Carnes stated that the City's population is approximately 110,000 and Chief Baker stated that there are 6 stations in the City.

At Director Shriver's request, Councilwoman Carnes stated that the City is not landlocked, they continue to move east and have been annexing unincorporated land as it becomes available.

The Board thanked Councilwoman Carnes for the presentation.

PRESENTATION

Risk Management Overview – CFO Miskimins presented to the Board how our financial assets are protected and how our non-financial assets are protected from various risks. Also presented was information about the District's various insurance lines of coverage.

Legal Counsel Cole presented a history of governmental immunity, a list of exceptions and potential liability, as well as how to preserve employee/elected official governmental immunity & provided local examples of risk-management related to statutory requirements and interpretations.

ACTION ITEM

Station 15 General Contractor RFP Approval – CFO Miskimins reminded that the District initiated a request for proposal (RFP) process, consistent with the CRS Title 32 Integrated Project Delivery (IPD) method, in an effort to select a General Contractor based on best value.

Chief Milan reviewed the information included in the packet, noting that submittals were received from nine general contractors. The submittals were evaluated using the criteria published in the RFP, provided an overview of each of the RFPs, and the firm that appeared most qualified was invited to an interview. At the conclusion of the interview, Staff agreed that the bid that offered the best value to the District was from Pinkard Construction. Also in the Board packet was the information requested by the Board which is a review of the costs and escalation for the last few stations the District built, a comparison of new stations built locally, as well as an overview of RFP processes.

John Sattler from Diversified Consulting Solutions stated that one of the pluses of Pinkard is also the shorter timeline, about a month shorter, and felt very comfortable that their timelines were very doable even if they run into issues.

At Director Anderson's request, Mr. Sattler confirmed that there was no disclosure of the bids, but some did have to come back with some clarification. Mr. Sattler noted that the red line was the consultants estimate on where costs would come in and we were not negatively surprised because it was in line with what was expected.

At Director Sokol's request, Mr. Sattler stated that as far as flushing out the concerns of Building by Design, which was almost \$1M less, the proposed projects submitted to be relevant to this project were a brush fire station and CDOT pre-engineered steel buildings. Masonry being a big feature of the new station that is not the case for most steel buildings. Chief Milan added that Building by Design also did not respond to all information requested in the RFP and they did not feel that it would change the outcome. In addition, their change order markups were higher than the others. They are a good company but their track record does not equate to the needs of this project.

Mr. Sattler stated that if the Board makes a decision tonight, the results will be posted on bid.net and they will reach out to each of the bidders to discuss how the final decision was made.

At Director Sokol's request, Mr. Sattler admitted that change orders are expected but they should not be frivolous. The drawings are going through the permit process now and if there are any changes made through that process or through the owner making a change, those would be at a cost. There is also a liquidity damage clause which is \$1,000/day so the date of substantial completion cues when the warranty approaches.

Director Anderson stated that it was nice to see the information and that the process was well done. Director Leung agreed. Director Sokol stated that the information was very helpful. Director Shriver stated that he also appreciates the cost breakdowns and thanked them for all of the work done and clarity of issues. Director Stahlman complimented the team for very comprehensive information. He has some experience with Pinkard and they did a high-quality job. Their ultimate dollar/square foot is just under \$716 and in the back of the packet it shows stations around the country came in anywhere from \$715 to \$734/square foot, which gives him comfort that we aren't seeing anything in the detail provided that is out of bounds and the totals are certainly trending with the other data that was provided. He thinks this will be a quality product and he is very comfortable and appreciates everyone's efforts.

Director Anderson stated that she would like to make a motion to award a contract to Pinkard Construction for the construction of Station 15 in the amount not to exceed \$8,028,390 and further direct the Fire Chief or his designee to execute the contract documents related thereto. Director Leung seconded the motion. All were in favor and the motion carried.

Director Sokol added that he learned a lot through this process and the next time he may have more suggestions on how we do things but also appreciates the detailed breakdown, saying yes today and hopefully we can tweak our system next time.

DISCUSSION ITEMS

N/A

INFORMATION ITEMS

Correspondence items in the Board's packet are summarized below as well as other information items that were communicated:

- Local 2086 Treasurer Matt Sammond stated there was no report.
- Chief Baker:
 - The next Recognition Ceremony is this Thursday at 5:00 p.m. at the Waring Theatre at Arapahoe Community College.
 - The Annual Remembrance Ceremony is this Saturday at 11:00 a.m. at Mineral HQ.
 - Attended the Metro Chiefs Conference last week where 100% (five metro departments) from Colorado were represented. There was significant concern over lithium-ion batteries. In New York it is exceeding cooking fires. It was a good conference and well-worth attending. The Colorado Metro Departments are considering putting in a bid to host the 2026 conference.
- Director Stahlman stated he and Chief Dell'Orfano presented an update to the Littleton City Council. Chief Dell'Orfano did a terrific job and enjoyed doing it together. Chief Dell'Orfano stated it was a good prototype for Board and Staff presentation and well-received by Littleton.
- Director Stahlman received a tour from Chief Burke of the wildland interface areas. It was fascinating to see it from Chief Burke's perspective.
- Director Roche stated she had the honor of responding with some of SMFR personnel, as a representative of the Arapahoe County Sheriff's Office, on a very difficult call. Honored to see how our agencies worked well together. Even though they were doing their jobs it gave an entirely different level of appreciation of the two agencies.
- Director Anderson stated a month or so ago a woman reached out to her to see if SMFR wanted to participate in a Financial Data Transparency Act grant that would create the machine-readable documents that are required for submission. Along with other first responder agencies, she has offered to create the readable documents for SMFR if we provide the documents that are publicly available, but she wanted our permission first.
- Director Shriver stated that for the last 11-12 years, Parker has held a state of the town sponsored by the Rotary Club. The Impact Award Nominee this year was Chief Baker. Director Shriver read the award & presented it to him.

EXECUTIVE SESSION (UPON MOTION)

A motion was made by Jim Albee and seconded by William Shriver at 8:20 p.m. pursuant to §24-6-402(4)(e), C.R.S. for the purpose of determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiations regarding the City of Castle Pines URA. All were in favor and the motion carried.

The regular meeting reconvened at 10:02 p.m. with no action taken.

NEXT MEETING

The next Regular South Metro Fire Rescue District Board of Directors' meeting will take place on July 10, 2023, at 6:00 p.m. at 9195 East Mineral Avenue, Centennial, CO.

ADJOURNMENT

Chair Albee adjourned the meeting at 10:02 p.m.

Attested by: _____

Date: _____

DRAFT

SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT

BOARD AGENDA

MEETING DATE: 7/10/2023

AGENDA ITEM TYPE: DISCUSSION ITEM

SUBJECT: 2022 Annual Comprehensive Financial Report and Audit

BACKGROUND: Presentation of the SMFR 2022 audit and Annual Comprehensive Financial Report (ACFR)

RECOMMENDATION: Staff will be requesting approval of the 2022 Annual Comprehensive Financial Report at the July 17th meeting.

SUBMITTED BY: Dillon Miskimins

APPROVED BY: Mike Dell'Orfano



South Metro Fire Rescue
Fire Protection District

Annual Comprehensive Financial Report

For the Fiscal Year Ended
December 31, 2022



Arapahoe, Douglas and
Jefferson Counties
Colorado

**SOUTH METRO FIRE RESCUE FIRE
PROTECTION DISTRICT
ARAPAHOE, DOUGLAS and JEFFERSON COUNTIES,
COLORADO**

**Annual Comprehensive Financial Report
For the Fiscal Year Ended
December 31, 2022**

**Prepared by:
South Metro Fire Rescue Fire Protection District Finance Division**

SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022
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SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT



June 28, 2023

Members of the Board of Directors, and
Citizens of South Metro Fire Rescue Fire Protection District:

State law requires that all special districts with revenues in excess of \$750,000 file an annual report with the State Auditor within seven months of the close of their fiscal year. This annual report includes a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual report of South Metro Fire Rescue Fire Protection District for the fiscal year ended December 31, 2022.

This report consists of management's representations concerning the finances of South Metro Fire Rescue 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, management of South Metro Fire Rescue Fire Protection District has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of South Metro Fire Rescue Fire Protection District's financial statements. Because the cost of internal controls should not outweigh their benefits, South Metro Fire Rescue 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, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

South Metro Fire Rescue Fire Protection District's financial statements have been audited by FORVIS, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of South Metro Fire Rescue Fire Protection District for the fiscal year ended December 31, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering unmodified opinions, that South Metro Fire Rescue Fire Protection District's financial statements for the fiscal year ended December 31, 2022, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Government

South Metro Fire Rescue Fire Protection District (the District) was legally established on December 14, 2015 but is an amalgamation of departments and districts that date back to 1890. In 2008, South Metro Fire Rescue, formerly the Castlewood Fire Protection District (itself an amalgamation of smaller fire districts including Cherry Hills Fire Protection District, Northwest Douglas County Fire Protection District, and Louviers Fire Protection District, and Castle Pines Village Fire Protection District) united with Parker Fire Protection District to create the South Metro Fire Rescue Authority. On December 14, 2015, Parker Fire Protection District included the property of South Metro Fire Rescue into its district and changed its name to South Metro Fire Rescue Fire Protection District resulting in a single, unified fire protection district.

Beginning in 2016, the District began discussing a process to unify with Cunningham Fire Protection District and Littleton Fire Rescue which comprised the City of Littleton Fire Department, the Littleton Fire Protection District, and the Highlands Ranch Metropolitan District. On January 1, 2018, South Metro Fire Rescue Fire Protection District and Cunningham Fire Protection District officially merged as one entity named South Metro/Cunningham Fire Rescue Authority. Successful elections were held throughout 2018 where the electorate of the City of Littleton, Littleton Fire Protection District, and Highlands Ranch Metropolitan District voted to include into South Metro Fire Rescue Fire Protection District again creating a single, unified fire protection district effective January 1, 2019. On January 1, 2020, the entity started operating as South Metro Fire Rescue Fire Protection District.

The District is governed, pursuant to provisions of the Colorado Special District Act, by a seven-member Board of Directors. The District's Fire Chief has all powers and authorities provided for a fire chief under §32-1-1002, C.R.S., and oversees and manages all business and affairs of the District including the operation, maintenance, management, administration, and provision of all facilities, improvements, equipment, services and personnel.

The District's service area is located in Douglas, Arapahoe and Jefferson Counties, Colorado. The District was established to provide fire protection and emergency medical services. The District area includes 285 square miles and overlaps the cities of Bow Mar, Castle Pines, Castle Pines Village, Centennial, Cherry Hills Village, Columbine Valley, Foxfield, Greenwood Village, Highlands Ranch, Lakewood, Louviers, Littleton, Lone Tree, and Parker, as well as some unincorporated areas in Douglas, Arapahoe and Jefferson counties. It includes the business parks of Meridian and Inverness, the Denver Tech Center, Centennial Airport and Park Meadows Mall.

The District currently serves approximately 561,000 residents in Douglas, Arapahoe and Jefferson Counties and protects approximately 210,000 households. 46% of the District's population is in Douglas County with 48% in Arapahoe County and 6% in Jefferson County. The daytime population of the District is estimated to be 595,000.

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

Local Economy

Three years post the COVID-19 pandemic, Colorado's local economy continues to recover, albeit slowly. Inflation in the Denver metro area peaked at 9.1% in 2022 but the downward trend ended the year at 6.4% CPI. The labor market remains strong and resilient with an all-time low unemployment rates. Rising interest rates pushed home values down by 15.7% from an all-time high in May 2022. Construction has remained steady within the District's boundaries. Nevertheless, the economic volatility and risk of recession holds some uncertainty for construction and housing values alike.

In 2022, the unemployment rate in Douglas County was 2.5%, Arapahoe County was 3.1%, and Jefferson County was 2.8%. This compares to 3% for the Colorado state and 3.6% for the United States.

Over the last decade, the assessed valuation of the District has grown dramatically due to soaring real estate values across the Denver metro area. In 2022, the Denver metro area saw an all-time high in housing values, but ballot measures continue to push residential assessment rates down to control property tax costs for its residents. The growth in assessed valuation over the last 5 years has averaged 18.2%. Assessed valuation in the 2022 budget year showed an increase of 8.2% over the prior year.

According to the most recent data, the per capita income for Douglas County was \$87,841, Arapahoe County was \$74,267, and Jefferson County was \$74,822. This is higher than the State of Colorado average of \$74,167 and the national average of \$65,423. The education level of the population in the area covered by the District is higher than the state and the national average with 50.5% having a college degree. The median home value is \$600,000.

Long-Term Financial Planning and Relevant Policies

The District consistently develops long-term financial plans as planning tools to ensure the District remains on solid financial footing. To ensure the District keeps abreast of and incorporates economic conditions into its financial plans, revenues, expenses, and capital

improvements are projected for the next ten years. A forecast is updated annually as part of the budget process.

The District believes maintaining adequate reserves is a prudent financial management practice. To this end, District policy mandates a 3% TABOR reserve as required by state law, a 20% operating reserve, and a capital project reserve that is sufficient to provide for expenses outlined in the District's various planning documents. District policy also stipulates a minimum transfer from the General Fund to the Capital Projects Fund in order to fund capital improvements in accordance with the District's Capital Improvement Plan. District policy also establishes an adequate reserve in its self-insurance fund in order to accommodate cash flow needs, unanticipated claims and stabilized premiums.

Major Initiatives

The District continues to implement major initiatives that are guided by its 2021-2025 Strategic Plan. The District is in its final years of increasing firefighting staffing levels to include four firefighters on each engine. In addition, the District implemented an EMS rank structure that aligns ranks, roles, and responsibilities for paramedic officers with those of suppression officers. Both of these initiatives add an increased level of service to the citizens we serve.

In addition, the District continues to execute on its aggressive capital improvement plan. Apparatus and critical equipment are being replaced despite the very extended lead times caused by the pandemic. The District's facilities remain a top priority. Station 15 is in the process of being resigned and rebuilt with an anticipated completion date of June 2024.

Budget Process

The District's annual budget process begins with updating the long-term financial plan which includes projected revenues and expenses including apparatus and equipment replacement, new construction, and station improvements. The long-term plan outlines District's goals and priorities and serves as a foundation for developing the annual budget. The budget development process starts each summer and requires divisions to submit their expenditure requests along with justifications. The Finance Division and Executive Team reviews and prioritizes requests and Finance Division prepares the proposed budget. The budget is presented to the Board of Directors each year by October 15 as statutorily required. The Board is required to hold a public budget hearing and to adopt the final budget no later than December 31. The mill levy is certified to the County Commissioners no later than December 15. Any revisions to the budget appropriations must be approved through a resolution by the Board of Directors.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for the annual comprehensive financial report for the fiscal year ended December 31, 2021. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,

Bob Baker
Fire Chief

Dillon Miskimins
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**South Metro Fire Rescue Fire Protection District
Colorado**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

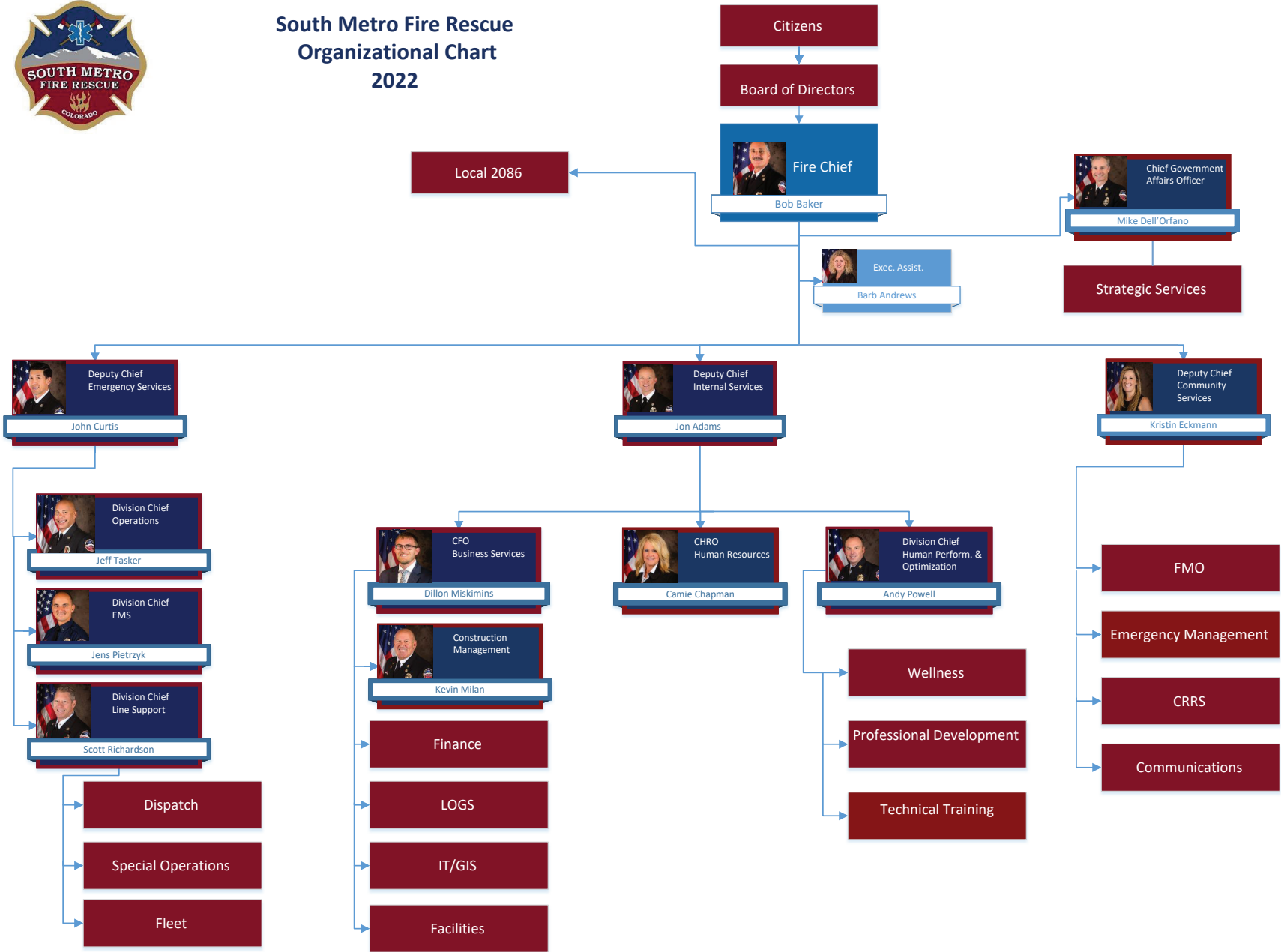
December 31, 2021

Christopher P. Morill

Executive Director/CEO



South Metro Fire Rescue Organizational Chart 2022



GOVERNANCE

As of December 31, 2022

Appointed Officials, Board of Directors

Jim Albee, Chair

Renee Anderson, Vice Chair

William Shriver, Treasurer

Sue Roche, Secretary

Sue Roche, Director

Cindy Hathaway, Director

Rich Sokol, Director

Executive Team

Bob Baker, Fire Chief

John Curtis, Deputy Chief of Emergency Services

Kristin Eckmann, Deputy Chief of Community Services

Jon Adams, Deputy Chief of Internal Services

Camie Chapman, Human Resources Director

Mike Dell'Orfano, Chief Government Affairs Officer

Dillon Miskimins, Chief Financial Officer

Independent Auditor's Report

Board of Directors
South Metro Fire Rescue Fire Protection District
Centennial, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the South Metro Fire Rescue Fire Protection District (the District), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the South Metro Fire Rescue Fire Protection District, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, pension, and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit for the year ended December 31, 2022 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The comparative fund financial statements and other schedules for the year ended December 31, 2022 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2022 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 comparative fund financial statements and other schedules is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2022.

The District's basic financial statements for the year ended December 31, 2021 (not presented herein), were audited by other auditors whose report thereon dated June 29, 2022, expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. The report of the other auditors dated June 29, 2022, stated that the comparative fund financial statements and other schedules for the year ended December 31, 2021 was subjected to the auditing procedures applied in the audit of the 2021 basic financial statements and certain additional auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or the those basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and, in their opinion, was fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2021.

Board of Directors
South Metro Fire Rescue Fire Protection District

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

FORVIS,LLP

Denver, Colorado
June 28, 2023

South Metro Fire Rescue Fire Protection District Management's Discussion and Analysis

As management of South Metro Fire Rescue Fire Protection District (the 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 ending December 31, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 - 5 of this report.

Financial Highlights

- The total assets and deferred outflows of South Metro Fire Rescue exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$131,549,366. Of this amount \$29,486,095 may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position decreased by \$14,425,901. The decrease is primarily related to the new OPEB RHS liability.
- The District's total liabilities and deferred inflows of resources are \$177,407,454. This is \$24,737,034 or 16.20% increase from 2021, primarily due to increase in accounts payable, unearned revenue, and addition of OPEB RHS liability and new leases.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$62,999,432.

Overview of the Financial Statements

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

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

This report also contains other required and 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 deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two is 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 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 are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include Operations, Fire Marshal, Dispatch, and Administration. The business-type activities of the District include the Building Rental Fund.

The government-wide financial statements can be found on pages 23 - 24 of this report.

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

- governmental funds
- proprietary funds

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

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

The District maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects

Fund, and the Cherry Hills Property Tax Special Revenue Fund. The General Fund and Capital Projects Fund are considered to be major funds, while the Cherry Hills Property Tax Special Revenue Fund is considered to be a non-major fund.

The District adopts an annual appropriated budget for its general fund, capital projects fund, and special revenue fund. Budgetary comparison schedules have been provided as supplemental information for the general fund, the capital projects fund, and the special revenue fund to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 25 – 27 of this report.

Proprietary Funds. The District maintained two proprietary funds in 2022 which are the Building Rental Enterprise Fund and the Self-Insured Internal Service Fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses an enterprise fund to account for and capture rental income, common area maintenance costs and items that relate to the maintenance of the administrative building. The Self-Insured Internal Service Fund is created for the benefit of employees as it collects the medical premiums to pay medical claims of the insured, stop loss insurance and administration fees.

The proprietary fund financial statements provide separate information for the Building Rental Fund, a major fund of the District, and Self-Insured Internal Service Fund.

The basic proprietary fund financial statements can be found on pages 28 - 29 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 31-75 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required and other supplementary information concerning the South Metro Fire Rescue Fire Protection District's financial and operational activity. This supplementary information and individual fund statements and schedules can be found on page 76 - 97 of this report.

Government-Wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of the government's financial position. In the case of South Metro Fire Rescue Fire Protection District, assets exceeded liabilities by \$131,549,366 at the close of the most recent fiscal year.

A portion of the District’s net position reflects its investment in capital and lease assets (i.e., land, buildings, vehicles, and equipment); less any related debt used to acquire those assets that is still outstanding. The District uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District’s investment in its capital and lease assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital and lease assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities 2022	Business-Type Activities 2022	Total 2022	Governmental Activities 2021	Business-Type Activities 2021	Total 2021
Current and other assets	\$ 212,105,519	\$ 2,752,999	\$ 214,858,518	\$ 200,718,820	\$ 3,333,975	\$ 204,052,795
Capital and lease assets, net	78,270,022	5,654,670	83,924,692	76,875,572	5,990,896	82,866,468
Total assets	290,375,541	8,407,669	298,783,210	277,594,392	9,324,871	286,919,263
Total deferred outflows of resources	10,173,610	—	10,173,610	11,726,424	—	11,726,424
Current and other liabilities	11,656,216	27,847	11,684,063	7,042,280	141,402	7,183,682
Noncurrent and other liabilities	26,560,879	—	26,560,879	9,769,585	—	9,769,585
Total liabilities	38,217,095	27,847	38,244,942	16,811,865	141,402	16,953,267
Total deferred inflows of resources	136,920,566	2,241,946	139,162,512	132,927,111	2,790,042	135,717,153
Net position:						
Net investments in capital and lease assets	74,406,518	5,654,670	80,061,188	75,283,384	5,990,896	81,274,280
Restricted	22,002,083	—	22,002,083	6,073,619	—	6,073,619
Unrestricted	29,002,889	483,206	29,486,095	58,224,837	402,531	58,627,368
Total net position	\$ 125,411,490	\$ 6,137,876	\$ 131,549,366	\$ 139,581,840	\$ 6,393,427	\$ 145,975,267

At the end of the current fiscal year, the District is able to report a positive balance in all categories of net position, both for the government as a whole as well as for its business-type activities. The District’s net position decreased by \$14,425,901 during the current fiscal year. The decrease is primarily related to the new OPEB RHS liability.

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer’s Bill of Rights (TABOR) contains the requirement of setting an emergency reserve. This reserve cannot be accessed except for during an unexpected disaster. This reserve amounts to \$4,808,356 as of December 31, 2022.

Governmental Activities. Governmental activities decreased South Metro Fire Rescue Fire Protection District’s net position by \$14,170,350. Key elements of this decrease are as follows:

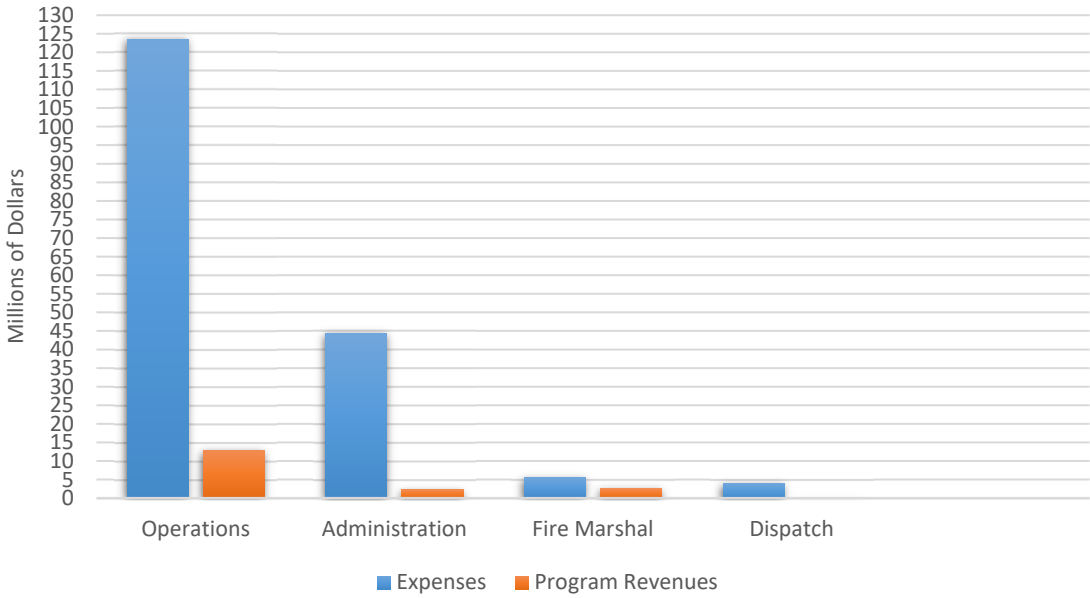
- Overall both expenses and revenues increased when compared to 2021. The revenue growth of \$15.5 million is associated with the increased property tax collections, charges for services of transports, and Medicaid supplement fee reimbursement.

- An increase in overall expenses of \$33.6 million is related to market adjustments to current salaries, increases in benefit costs including the new OPEB RHS, overtime related personnel shortages, and a rise in costs of goods and services due to inflation.

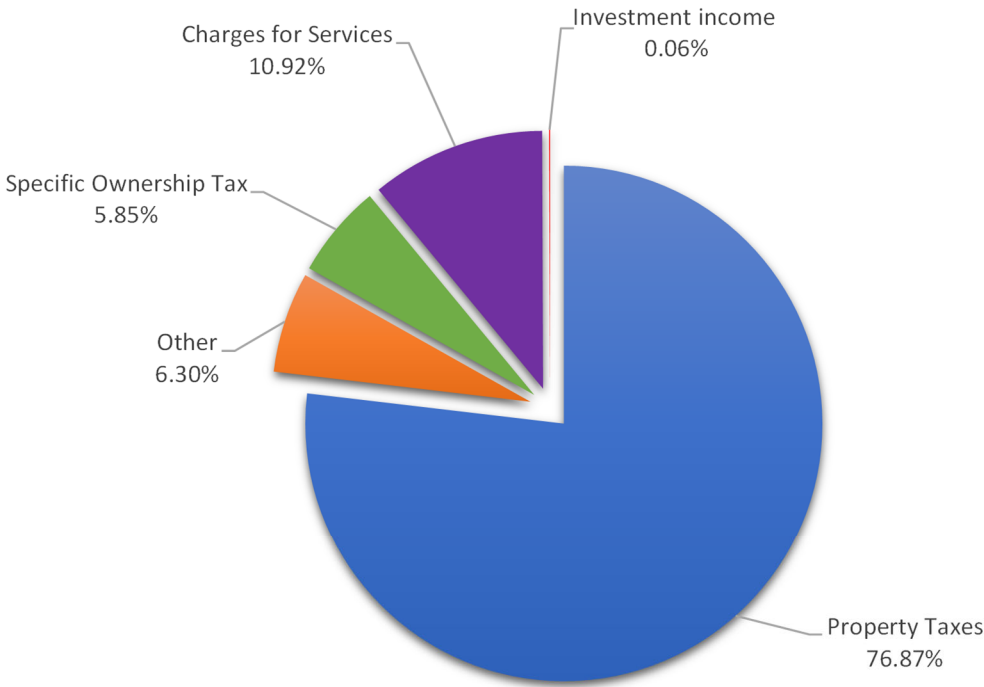
South Metro Fire Rescue Fire Protection District
Changes in Net Position

	Governmental Activities 2022	Business-Type Activities 2022	Total 2022	Governmental Activities 2021	Business-Type Activities 2021	Total 2021
Revenues:						
Program revenues:						
Charges for services	\$ 17,789,098	\$ —	\$ 17,789,098	\$ 12,434,136	\$ —	\$ 12,434,136
Operating Grants and Contributions	167,080	765,319	932,399	191,700	809,823	1,001,523
General revenues:						
Property and other taxes	134,798,924	—	134,798,924	124,287,044	—	124,287,044
Other income	10,190,031	—	10,190,031	10,579,644	99	10,579,743
Total revenues	<u>162,945,133</u>	<u>765,319</u>	<u>163,710,452</u>	<u>147,492,524</u>	<u>809,922</u>	<u>148,302,446</u>
Expenses:						
Operations	123,401,598	—	123,401,598	101,426,388	—	101,426,388
Administration	44,255,426	—	44,255,426	33,421,508	—	33,421,508
Fire Marshal	5,513,590	—	5,513,590	5,328,172	—	5,328,172
Dispatch	3,944,869	—	3,944,869	3,307,622	—	3,307,622
Rental building	—	1,020,870	1,020,870	—	824,751	824,751
Total expenses	<u>177,115,483</u>	<u>1,020,870</u>	<u>178,136,353</u>	<u>143,483,690</u>	<u>824,751</u>	<u>144,308,441</u>
Transfers in (out)	—	—	—	1,132,598	(2,000,000)	(867,402)
Increase (decrease) in net position	(14,170,350)	(255,551)	(14,425,901)	5,141,432	(2,014,829)	3,126,603
Net position-beginning	<u>139,581,840</u>	<u>6,393,427</u>	<u>145,975,267</u>	<u>134,440,408</u>	<u>8,408,256</u>	<u>142,848,664</u>
Net position-ending	<u>\$ 125,411,490</u>	<u>\$ 6,137,876</u>	<u>\$ 131,549,366</u>	<u>\$ 139,581,840</u>	<u>\$ 6,393,427</u>	<u>\$ 145,975,267</u>

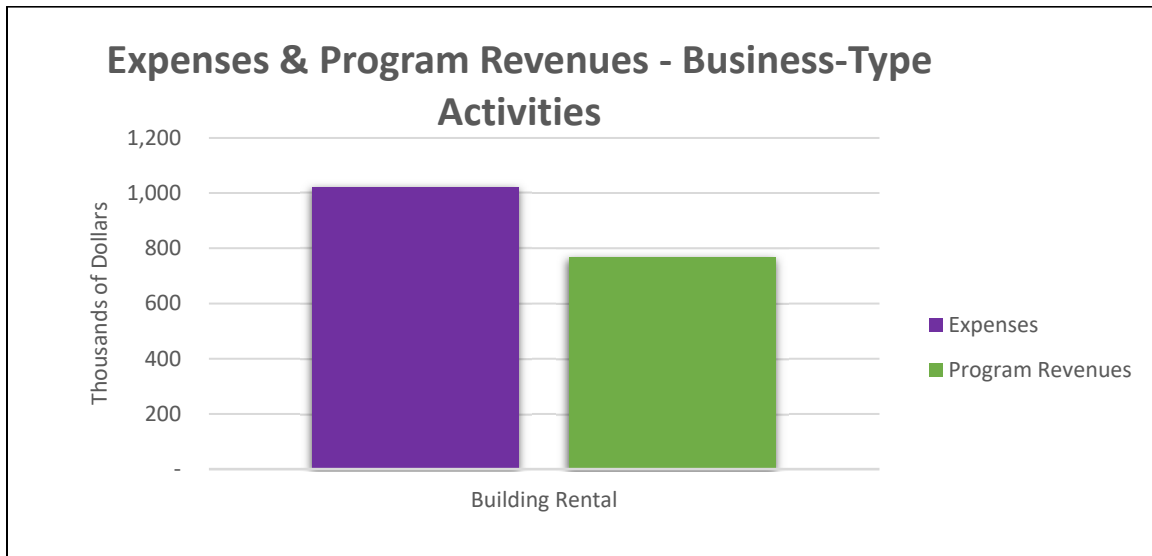
Expenses and Program Revenues - Governmental Activities



Revenues by Sources - Governmental Activities



Business-Type Activities. Business-type activities decreased the District’s net position by \$255,551, which is related to the increase in operating expenses combined with a slight dip in revenue.



Financial Analysis of the Government’s Funds

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

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

As of the end of the current fiscal year, the District’s governmental funds reported combined fund balances of \$62,999,432, an increase of \$2,419,001 from the beginning of the year. This increase is largely due to an increase in property tax collections and other income. A large portion of the District's fund balance constitutes unassigned fund balance, of which \$30,755,152 is held as operating reserve intended to be used in limit circumstances. The TABOR emergency reserve of \$4,808,356 is legally restricted. The non-spendable inventory and prepaid items along with the amount restricted for pension payments, Excise tax revenue and JACC projects are also not available for spending by the District.

The general fund is the principle operating fund of the District. At the end of the current fiscal year, total fund balance was \$42,026,486, which represents 27.6% of total general fund expenditures.

The fund balance of the District’s general fund decreased by approximately \$6.3 million during the current fiscal year. This is primarily related to increased operating expenses and a \$15 million transfer to the Capital Projects Fund to fund capital improvements.

The significant variance in the Capital Project Fund actual expenditures compared to budget for the capital outlay is primarily related to purchase of fire apparatus that was recorded to a prepaid account until it is placed in service, at which time it will be expensed, and the new warehouse lease entry to establish the lease asset.

Proprietary Funds. The District’s proprietary funds provide details of the activity of the Building Rental Fund and the Self-Insured Internal Service Fund.

The Building Rental Fund has a positive unrestricted net position balance of \$483,206, which increased only by \$80,675 from prior year due to the increase in accumulated depreciation which caused net investment in capital assets to decrease.

The Self-Insured Internal Service Fund has a positive unrestricted net position balance of \$121,937, which decreased by \$532,755 from prior year. The change is due to increased medical payments in 2022.

Capital and Lease Assets and Debt Administration

Capital and Lease Assets. The District’s investment in capital and lease assets for its governmental and business type activities as of December 31, 2022 amounts to \$83,924,692 (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings, vehicles, and equipment. Note 4 gives more details related to capital and lease assets.

	Governmental Activities	Business Type Activities	Total	Governmental Activities	Business Type Activities	Total
	2022	2022	2022	2021	2021	2021
Land	\$ 6,406,796	\$ 2,598,566	\$ 9,005,362	\$ 7,367,556	\$ 2,598,566	\$ 9,966,122
Buildings	49,042,572	2,775,881	51,818,453	49,185,787	3,062,100	52,247,887
Vehicles	12,319,666	—	12,319,666	12,849,211	—	12,849,211
Equipment	5,267,578	280,223	5,547,801	5,886,832	330,230	6,217,062
Construction in Progress	2,001,151	—	2,001,151	—	—	—
Lease Assets	3,232,259	—	3,232,259	1,586,186	—	1,586,186
Total	\$ 78,270,022	\$ 5,654,670	\$ 83,924,692	\$ 76,875,572	\$ 5,990,896	\$ 82,866,468

Long-term debt. State statutes limit the general obligation debt of the District to 50% of total assessed valuation. At the end of the current fiscal year there was no bonded debt outstanding nor was there any authorized but unissued debt for the District. Should the District enter into leases, they would not be general obligations of the District and would be paid solely from the District’s revenues as appropriated in the annual budget. The District currently does not have any outstanding debt.

The District’s long-term liabilities increased during the current fiscal year by approximately \$18.5 million as a result of adding a new warehouse lease liability and OPEB RHS. Because the District does not have long term financing needs at this time, financial policies related to long term debt are being evaluated and updated.

Additional information on the District’s long-term obligations can be found in note 7 and 8 on pages 47-48 in the notes section of this report.

**South Metro Fire Rescue Fire Protection District
Long-Term Liabilities**

	Governmental Activities	Business Type Activities	Total	Governmental Activities	Business Type Activities	Total
	2022	2022	2022	2021	2021	2021
Compensated absences	\$ 7,429,077	\$ —	\$ 7,429,077	\$ 7,285,058	\$ —	\$ 7,285,058
Net pension liability	1,665,419	—	1,665,419	2,068,675	—	2,068,675
Lease liability	3,258,042	—	3,258,042	1,592,188	—	1,592,188
OPEB RHS liability	17,078,780	—	17,078,780	—	—	—
	<u>\$ 29,431,318</u>	<u>\$ —</u>	<u>\$ 29,431,318</u>	<u>\$ 10,945,921</u>	<u>\$ —</u>	<u>\$ 10,945,921</u>

Economic Factors and Next Year’s Budgets

Along with the rest of the nation, the District continues to be impacted by the supply chain disruptions and steep rise in costs due to inflation. The local economy continues to be in a volatile state with some uncertainty of the future real estate values due to the rising interest rates. Although probability of a recession has receded.

The District continues to experience legislative initiatives that has the potential to negatively affect its property tax revenues. Such initiatives are consistently monitored and analyzed as part of the budget and planning processes. For the budget year 2023, residential assessment rate was decreased from 7.15% to 6.95%, which resulted in a slight decrease to the property tax revenues.

Request for Information

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

BASIC FINANCIAL STATEMENTS

SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 46,797,279	\$ 441,754	\$ 47,239,033
Cash and investments - restricted	5,659,760	—	5,659,760
Receivables (net of allowance for uncollectable)	6,711,636	—	6,711,636
Interest receivable	95,716	—	95,716
Receivable - County Treasurer	124,857,365	—	124,857,365
Prepaid expense	11,147,673	—	11,147,673
Inventories	1,485,988	—	1,485,988
Lease receivable	432,278	2,311,245	2,743,523
Net pension asset	14,917,824	—	14,917,824
Capital assets, not being depreciated:			
Land	6,406,796	2,598,566	9,005,362
Construction in progress	2,001,151	—	2,001,151
Capital assets (net of accumulated depreciation):			
Building	49,042,572	2,775,881	51,818,453
Vehicles	12,319,666	—	12,319,666
Equipment	5,267,578	280,223	5,547,801
Lease assets, net of amortization	3,232,259	—	3,232,259
Total capital and lease assets	78,270,022	5,654,670	83,924,692
Total assets	290,375,541	8,407,669	298,783,210
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	10,173,610	—	10,173,610
Total deferred outflows of resources	10,173,610	—	10,173,610
LIABILITIES			
Accounts and wages payables	6,513,689	27,847	6,541,536
Unearned revenue	1,012,088	—	1,012,088
Long-term liabilities:			
Due within one year			
Compensated absences	742,908	—	742,908
Medical IBNR liability	1,260,000	—	1,260,000
Lease liability	728,546	—	728,546
OPEB RHS liability	1,398,985	—	1,398,985
Due beyond one year			
Compensated absences	6,686,169	—	6,686,169
Net pension liability	1,665,419	—	1,665,419
Lease liability	2,529,496	—	2,529,496
OPEB RHS liability	15,679,795	—	15,679,795
Total liabilities	38,217,095	27,847	38,244,942
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax revenue	124,857,365	—	124,857,365
Deferred inflows related to leases	423,184	2,241,946	2,665,130
Deferred inflows related to pensions	9,765,597	—	9,765,597
Deferred inflows related to OPEB RHS	1,874,420	—	1,874,420
Total deferred inflows of resources	136,920,566	2,241,946	139,162,512
NET POSITION			
Net investment in capital and lease assets	74,406,518	5,654,670	80,061,188
Restricted:			
Emergency reserve (TABOR)	4,808,356	—	4,808,356
Pension funds	852,733	—	852,733
Net pension asset	14,917,824	—	14,917,824
Excise tax revenue	1,423,170	—	1,423,170
Unrestricted	29,002,889	483,206	29,486,095
Total net position	\$ 125,411,490	\$ 6,137,876	\$ 131,549,366

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

**SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Program Revenues			Net (Expenses) Revenue & Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business Type Activities	Total
FUNCTIONS/PROGRAMS						
Governmental activities						
Operations	\$ (123,401,598)	\$ 12,938,471	\$ —	\$ (110,463,127)	\$ —	\$ (110,463,127)
Administration	(44,255,426)	2,278,008	167,080	(41,810,338)	—	(41,810,338)
Fire Marshal	(5,513,590)	2,450,898	—	(3,062,692)	—	(3,062,692)
Dispatch	(3,944,869)	121,721	—	(3,823,148)	—	(3,823,148)
Total governmental activities	<u>(177,115,483)</u>	<u>17,789,098</u>	<u>167,080</u>	<u>(159,159,305)</u>	<u>—</u>	<u>(159,159,305)</u>
Business-type activities:						
Building rental	(1,020,870)	—	765,319	—	(255,551)	(255,551)
Total business-type activities	<u>(1,020,870)</u>	<u>—</u>	<u>765,319</u>	<u>—</u>	<u>(255,551)</u>	<u>(255,551)</u>
Total government	<u>\$ (178,136,353)</u>	<u>\$ 17,789,098</u>	<u>\$ 932,399</u>	<u>(159,159,305)</u>	<u>(255,551)</u>	<u>(159,414,856)</u>
General revenues						
Property taxes				125,272,691	—	125,272,691
Specific ownership tax				9,526,233	—	9,526,233
Excise taxes				480,365	—	480,365
Medicaid supplemental fee				6,951,772	—	6,951,772
Investment income (loss)				90,614	—	90,614
Intergovernmental and other reimbursements				1,822,409	—	1,822,409
Miscellaneous income				312,213	—	312,213
Gain on sale of assets				532,658	—	532,658
Total general revenues				<u>144,988,955</u>	<u>—</u>	<u>144,988,955</u>
Change in net position				(14,170,350)	(255,551)	(14,425,901)
Net position -beginning				<u>139,581,840</u>	<u>6,393,427</u>	<u>145,975,267</u>
Net position - ending				<u>\$ 125,411,490</u>	<u>\$ 6,137,876</u>	<u>\$ 131,549,366</u>

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

**SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	General Fund	Capital Projects Fund	Non Major - Cherry Hills Property Tax Special Revenue Fund	Total Governmental Funds
ASSETS				
Cash and investments	\$ 31,470,422	\$ 13,177,416	\$ —	\$ 44,647,838
Cash and investments - restricted	4,808,356	—	851,404	5,659,760
Accounts receivable, net	6,580,885	100,342	1,329	6,682,556
Lease receivable	432,278	—	—	432,278
Interest receivable	95,716	—	—	95,716
Due from Self-Insured Internal Service Fund	52,345	—	—	52,345
Property taxes receivable	124,574,007	—	283,358	124,857,365
Prepaid expense	2,699,756	8,447,917	—	11,147,673
Inventories	1,485,988	—	—	1,485,988
Total assets	<u>\$ 172,199,753</u>	<u>\$ 21,725,675</u>	<u>\$ 1,136,091</u>	<u>\$ 195,061,519</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued liabilities	\$ 1,742,507	\$ 605,462	\$ —	\$ 2,347,969
Accrued wages	3,421,481	—	—	3,421,481
Unearned revenue	12,088	1,000,000	—	1,012,088
Total liabilities	<u>5,176,076</u>	<u>1,605,462</u>	<u>—</u>	<u>6,781,538</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow related to leases	423,184	—	—	423,184
Unavailable property tax revenue	124,574,007	—	283,358	124,857,365
Total deferred inflows of resources	<u>124,997,191</u>	<u>—</u>	<u>283,358</u>	<u>125,280,549</u>
FUND BALANCES				
Non-spendable:				
Inventory	1,485,988	—	—	1,485,988
Prepaid items	2,699,756	8,447,917	—	11,147,673
Restricted:				
Emergency reserve	4,808,356	—	—	4,808,356
Pension funds	—	—	852,733	852,733
Excise tax revenue	—	1,423,170	—	1,423,170
JACC projects	132,951	—	—	132,951
Committed:				
Capital Projects Reserve	—	10,249,126	—	10,249,126
Unassigned:	32,899,435	—	—	32,899,435
Total fund balance	<u>42,026,486</u>	<u>20,120,213</u>	<u>852,733</u>	<u>62,999,432</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 172,199,753</u>	<u>\$ 21,725,675</u>	<u>\$ 1,136,091</u>	
Amounts reported for governmental activities in the statement of net position are different because:				
Capital and lease assets used in governmental activities are not financial resources, and therefore are not reported in the funds				78,270,022
The net pension asset is not available to pay current period expenditures and, therefore, is not recorded in the funds				14,917,824
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.				
Deferred outflows related to pensions				10,173,610
Deferred inflows related to pensions				(9,765,597)
Deferred inflows related to OPEB RHS				(1,874,420)
Long term liabilities that are not due and payable in the current period and therefore are not reported in these funds:				
Compensated absences				(7,429,077)
Lease liability				(3,258,042)
Net pension liability				(1,665,419)
OPEB RHS liability				(17,078,780)
Internal service fund assets and liabilities are reported as governmental-type activities in the statement of net position				
				121,937
Net position of governmental activities				<u>\$ 125,411,490</u>

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

SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	General Fund	Capital Projects Fund	Non Major - Cherry Hills Property Tax Special Revenue Fund	Totals
REVENUES				
Property taxes	\$ 124,988,592	\$ —	\$ 284,099	\$ 125,272,691
Specific ownership taxes	9,508,226	—	18,007	9,526,233
Excise taxes	—	480,365	—	480,365
Investment income (loss)	(222,190)	262,517	18,116	58,443
Charges for service - transports	12,769,267	—	—	12,769,267
Charges for service - plan review fees	2,450,898	—	—	2,450,898
Medicaid supplemental fee	6,951,772	—	—	6,951,772
Dispatch fees	121,721	—	—	121,721
Intergovernmental and other reimbursements	1,989,489	—	—	1,989,489
Lease rental income	209,514	—	—	209,514
Miscellaneous revenue	312,212	—	—	312,212
Total revenues	<u>159,079,501</u>	<u>742,882</u>	<u>320,222</u>	<u>160,142,605</u>
EXPENDITURES				
Public safety				
Operations	103,360,737	106,312	—	103,467,049
Administration	37,018,066	2,370,479	221,005	39,609,550
Fire Marshal	5,486,597	—	—	5,486,597
Dispatch	3,930,886	—	—	3,930,886
Debt service lease payments - principal	449,044	103,261	—	552,305
Debt service lease payments - interest	5,291	15,595	—	20,886
Capital outlay	2,054,133	6,535,803	—	8,589,936
Total expenditures	<u>152,304,754</u>	<u>9,131,450</u>	<u>221,005</u>	<u>161,657,209</u>
Excess of Revenues Over (Under) Expenditures	<u>6,774,747</u>	<u>(8,388,568)</u>	<u>99,217</u>	<u>(1,514,604)</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	(15,000,000)	—	—	(15,000,000)
Transfers from other funds	—	15,000,000	—	15,000,000
Lease proceeds	194,968	2,042,732	—	2,237,700
Sale of capital assets	1,695,905	—	—	1,695,905
Total other financing sources (uses)	<u>(13,109,127)</u>	<u>17,042,732</u>	<u>—</u>	<u>3,933,605</u>
Net change in fund balances	(6,334,380)	8,654,164	99,217	2,419,001
Fund balances - beginning of year	48,360,866	11,466,049	753,516	60,580,431
Fund balances - end of year	<u>\$ 42,026,486</u>	<u>\$ 20,120,213</u>	<u>\$ 852,733</u>	<u>\$ 62,999,432</u>

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

**SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

Net change in fund balances - Total Governmental Funds	\$	2,419,001
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense.

Capital asset additions		8,589,936
Capital asset disposals		(1,163,247)
Depreciation expense		(7,678,312)
Lease additions		2,247,104
Lease disposals		(19,542)
Amortization expense		(581,489)

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.

Change in liability - compensated absences		(144,019)
Changes in liability, deferred inflow of resources, deferred outflow of resources - pension		3,312,027
Change in liability - leases		(1,665,854)
Changes in liability, deferred inflow of resources, deferred outflow of resources - OPEB RHS		(18,953,200)

Internal service fund net revenue (expense) is included in the governmental activities		(532,755)
--	--	-----------

Changes in net position of governmental activities		<hr style="border: 1px solid black;"/> \$ (14,170,350) <hr style="border: 1px solid black;"/>
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The accompanying notes are an integral part of the financial statements.

SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2022

	Business Type Activities - Building Rental Fund	Governmental Activities - Self- Insured Internal Service Fund
ASSETS		
Current assets:		
Cash and investments	\$ 441,754	\$ 2,149,441
Receivables (net of allowance for uncollectable)	—	29,080
Lease receivable	2,311,245	—
Total current assets	<u>2,752,999</u>	<u>2,178,521</u>
Capital assets:		
Land	2,598,566	—
Buildings	5,924,063	—
Equipment	370,282	—
Less accumulated depreciation	<u>(3,238,241)</u>	—
Total capital assets (net of accumulated depreciation)	<u>5,654,670</u>	—
Total assets	<u>8,407,669</u>	<u>2,178,521</u>
LIABILITIES		
Current liabilities:		
Accounts payable	27,847	744,239
Due to General Fund	—	52,345
Medical IBNR liability	—	1,260,000
Total current liabilities	<u>27,847</u>	<u>2,056,584</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to leases	<u>2,241,946</u>	—
Total deferred inflows of resources	<u>2,241,946</u>	—
NET POSITION		
Net investment in capital assets	5,654,670	—
Unrestricted	483,206	121,937
Total net position	<u>\$ 6,137,876</u>	<u>\$ 121,937</u>

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

**SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Business Type Activities - Building Rental Fund	Governmental Activities - Self-Insured Internal Service Fund
OPERATING REVENUES		
Charges for services	\$ —	\$ 14,308,641
Lease and non-lease component revenue	756,015	—
Lease interest income	9,304	—
Total operating revenues	<u>765,319</u>	<u>14,308,641</u>
OPERATING EXPENSES		
Building and grounds maintenance	679,066	—
Depreciation	341,804	—
Medical	—	16,062,887
Total operating expenses	<u>1,020,870</u>	<u>16,062,887</u>
Operating loss	<u>(255,551)</u>	<u>(1,754,246)</u>
NONOPERATING INCOME		
Investment income	—	32,171
Miscellaneous	—	539,046
Stop loss refunds	—	650,274
Total nonoperating income	<u>—</u>	<u>1,221,491</u>
Change in net position	(255,551)	(532,755)
Total net position - beginning of year	6,393,427	654,692
Total net position - end of year	<u>\$ 6,137,876</u>	<u>\$ 121,937</u>

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

**SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Business Type Activities - Building Rental Fund	Governmental Activities - Self-Insured Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 732,878	\$ —
Receipts from interfund services provided	—	14,308,641
Payments for interfund services provided	—	(15,337,950)
Payments to suppliers	(787,232)	—
Stop loss refunds	—	650,274
Miscellaneous	—	539,046
	<u>(54,354)</u>	<u>160,011</u>
Net cash provided (used) by operating activities		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital purchases	(5,578)	—
	<u>(5,578)</u>	<u>—</u>
Net cash provided by capital and related financing activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	—	32,171
	<u>—</u>	<u>32,171</u>
Net cash provided (used) by investing activities		
Net increase (decrease) in cash and cash equivalents	(59,932)	192,182
Cash and cash equivalents, January 1	501,686	1,957,259
	<u>441,754</u>	<u>2,149,441</u>
Cash and cash equivalents, December 31		
Reconciliation of operating loss to net cash provided (used) by operating activities:		
Operating loss	\$ (255,551)	\$ (1,754,246)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	341,804	—
Nonoperating revenues	—	1,189,320
Increase (decrease) in:		
Accounts receivable and lease receivable	515,657	(23,153)
Deferred inflows related to leases	(548,096)	
Prepaid expense	5,387	—
Increase (decrease) in:		
Accounts payable	(113,555)	748,090
Total adjustments	<u>201,197</u>	<u>1,914,257</u>
	<u>(54,354)</u>	<u>160,011</u>
Net cash provided (used) by operating activities		
Reconciliation of cash and cash equivalents to statement of net position:		
Unrestricted cash and cash equivalents	\$ 441,754	\$ 2,149,441
Total cash and investments	<u>\$ 441,754</u>	<u>\$ 2,149,441</u>

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

**SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Definition of Reporting Entity

South Metro Fire Rescue Fire Protection District was legally established on December 14, 2015. The District was formerly operating in an Authority model established on November 16, 2017 by the Creation and Pre-Unification Agreement, whereby South Metro Fire Rescue Fire Protection District and Cunningham Fire Protection District (CFPD) agreed to integrate all aspects of their operations, administration, and services through the formation of a separate legal entity pursuant to §29-1-203(4), C.R.S. Prior to the Authority, South Metro Fire Rescue Fire Protection District was created on April 24, 2008, by the Creation and Pre-Inclusion Agreement, as amended, whereby Parker Fire Protection District and South Metro Fire Rescue agreed to unify all operations. On January 1, 2019 the Authority included areas formerly serviced by the City of Littleton (Littleton Fire) into the service area. All Littleton Fire employees formerly employed by the City of Littleton became Authority employees along with all assets and liabilities. On January 1, 2020, the entity started operating as South Metro Fire Rescue Fire Protection District.

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

The more significant accounting policies of the District are described below.

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. Both statements distinguish between governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, and which rely to a significant extent on fees and charges for support.

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues other than emergency medical service fees to be available if they are collected within 60 days following the end of the current fiscal period. Emergency medical service fees are considered available if they are collected within 6 months of the end of the current fiscal period. The major sources of revenues susceptible to accrual are property taxes, specific ownership taxes, permit fees and

emergency medical service fees. All other revenue items are considered to be measurable and available only when incurred by the District. Expenditures are recorded when the liability is incurred.

The District reports the following major governmental funds:

- The General Fund is the District's primary operating fund. It is used to account for all financial resources except those required to be accounted for in other funds.
- The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed in the proprietary fund types).

Non-major:

- The Cherry Hills Property Tax Special Revenue Fund is used to collect the property tax receipts from the former Cherry Hills Fire Protection District in order to fund the Cherry Hills Old Hire Pension. The fund is not accumulating assets to pay retirees, but it collects money to fund the employer contribution that it sends to FPPA annually. As part of the inclusion of the Cherry Hills Fire Protection District into South Metro Fire Rescue, the District was allowed to assess a mill levy to provide for the pensions of the employees of the Cherry Hills Fire Protection District who had already retired and belonged to this defined benefit pension plan. This mill levy can only be used for contributions to that pension plan. The mill levy may be decreased as the financial requirements of the plan decrease.

The District reports the following major proprietary funds:

Enterprise Fund:

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

In addition, the District reports the following Internal Service Fund as non-major.

Internal Service Fund:

- The SMFR Medical Self-Insured Fund collects the District and employee medical premiums. The funds are used to pay for medical claims of the insured, Stop Loss Insurance, and administration fees to the third-party administrator.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and

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

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

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

Budgets

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

Pooled Cash and Investments

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

Investments are carried at fair value except for local government investment pools and the affiliated local plan pool which are reported at the net asset value per share which is determined based upon how the fund is valued (i.e. fair value or amortized cost). Investment income includes increases and decreases in the fair value of investments. Changes in fair value during the year do not necessarily represent trends that will continue; nor is it always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments that the government intends to hold to maturity.

Cash Equivalents

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

Capital and Lease Assets

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

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

<u>Assets</u>	<u>Years</u>
Buildings	30-50
Building Improvements	7-20
Ambulances	5-12
Fire Apparatus	9-10
Staff Vehicles	3-5
Equipment	5-7
Lease Assets	*

*The shorter of the lease or useful life.

Compensated Absences

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

Property Taxes

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

Property taxes are recorded initially as deferred inflows of resources in the year they are levied and measurable. The deferred inflow is then recorded as revenue in the year they are available or collected.

Accounts Receivable, Allowance for Uncollectable Accounts

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

Inventories

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

Prepaid Expense

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items are recorded as expenditures/expenses when consumed rather than when purchased. The District considers items to be prepayments when payment is made for services and/or goods delivered in future periods and the amount of the payment is more than \$10,000. Items less than \$10,000 are expensed when purchased.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred*

outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has one item that qualifies for reporting in this category which is shown as pension-related amounts that includes items related to the District's portion of the Colorado Fire and Police Pension Association (FPPA) benefit plans. This includes the difference between expected and actual experience, any changes of assumptions or other inputs, the net difference between projected and actual investment earnings on pension plan investments, and the related contributions subsequent to the measurement date, but before the end of the fiscal year and changes in proportion since the prior measurement dates (See Note 12).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has four items that qualify for reporting in this category. Deferred inflows related to leases is measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods. The District also has deferred inflows related to pensions and OPEB. For additional information refer to Note 12 in the notes section of this report. The governmental funds report deferred revenue from property taxes. These amounts are deferred and recognized as an inflow of resources in the period the amounts are received by the District.

Fund Balance

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

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

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

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

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

Unassigned fund balance operating reserve – The residual portion of fund balance that does not meet any of the criteria described above. The District has adopted a policy to maintain a fund balance of 20% of budgeted general fund expenditures as an operating reserve. This reserve is intended to be used in limited circumstances for one-time use when deemed appropriate and necessary. Uses may include providing temporary resources in times of economic downturn, unexpected events such as natural disasters or accidents, strategic expenditures or one-time capital outlay expenses.

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

Net Position

Net position represents the difference between assets and deferred outflow of resources and liabilities and deferred inflow of resources. Net investment in capital and lease assets consists of capital and lease assets, net of accumulated depreciation/amortization, reduced by the outstanding balance of any borrowing used for the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws, or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation that are legally enforceable.

NOTE 2 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2022 are as follow:

Cash and Investments	Governmental Activities	Business-Type Activities	Total
Cash and cash equivalents	\$ 31,220,230	\$ 441,754	\$ 31,661,984
Investments	15,577,049	-	15,577,049
Restricted investments	5,659,760	-	5,659,760
Total cash and investments	\$ 52,457,039	\$ 441,754	\$ 52,898,793

Deposits with Financial Institutions

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

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

As of December 31, 2022, all of the District's deposits were either insured by the Federal Deposit Insurance Corporation or held in eligible public depositories as required by PDPA.

Investments

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

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

- Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- General obligation and revenue bonds of U.S. local governmental entities
- Certain certificates of participation
- Certain securities lending agreements
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

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

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

The District does not have recurring fair value measurements as of December 31, 2022, that are valued using quoted prices in active markets for identical assets (Level 1) or significant unobservable inputs (Level 3).

<u>Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Net Asset Value (NAV)</u>	<u>Total</u>
CSIP**	\$ -	\$ -	\$ -	\$ 29,338,748	\$ 29,338,748
Chandler	-	8,009,874	-	-	8,009,874
PFM	-	13,226,935	-	-	13,226,935
Total*	<u>\$ -</u>	<u>\$ 21,236,809</u>	<u>\$ -</u>	<u>\$ 29,338,748</u>	<u>\$ 50,575,557</u>

*Money Market Funds of \$14,197 and Local Government Investment Pool (LGIP) of \$8,748 are not categorized within the fair value hierarchy.**

** Money Market Funds and LGIP are considered cash equivalents for financial statement presentation.

As of December 31, 2022, the District had the following investments in a Chandler Asset Management externally managed investment portfolio. This portfolio is managed by the investment manager at their discretion. Modified duration is shown in years.

<u>Investment</u>	<u>Fair Value</u>	<u>Modified Duration</u>	<u>S&P/Moody's Rating</u>
US Treasuries	\$ 4,775,958	2.30	Aaa/AAA
US Agencies	2,845,600	0.81	Aaa/AAA
Corporate Bonds	388,316	2.41	AA+/Aa1
Money Market Fund	14,197	—	Aaa/AAA
Total Fair Value	<u>\$ 8,024,071</u>	1.84	

As of December 31, 2022, the District had the following investments in a third managed portfolio managed by PFM Asset Management LLC. Modified duration is shown in years.

<u>Investment</u>	<u>Fair Value</u>	<u>Modified Duration</u>	<u>S&P/Moody's Rating</u>
US Treasuries	\$ 5,729,527	2.86	AA+/Aaa
US Agencies	2,199,407	1.73	AA+/Aaa
Municipal Bonds	2,436,489	1.8	AAA/Aa1
Certificates of Deposit	138,448	2.65	AA+/Aa2
Supranational Bonds	1,986,449	2.57	AAA/Aaa
Corporate Notes	736,615	2.02	AA+/Aa2
LGIP	8,748	—	AAAm
Total Fair Value	<u>\$ 13,235,683</u>	2.27	

Local Government Investment Pools – As of December 31, 2022, the District had funds invested in local government investment pools which are rated AAA.

- CSIP: The District invested in the Colorado Statewide Investment Program (CSIP), an investment vehicle established for local government entities in Colorado to pool surplus funds. CSIP Liquid Portfolio is managed by PFM Asset Management LLC (PFMAM), a subsidiary of U.S. Bancorp Asset Management, Inc. As the fund's investment adviser and administrator, PFMAM is responsible for the purchase and sale of all portfolio assets. PFMAM is registered with the SEC under the Investment Advisers Act of 1940 and specializes in creating investment strategies and managing funds for public sector, not-for-profit and other institutional clients. CSIP offers a fully liquid, variable rate investment option known as the CSIP Liquid Portfolio, and the ability for participants to invest in shares of fixed-rate, fixed-term investments through the CSIP Term Portfolio. Investments in the CSIP portfolios seek to comply with those authorized under 24-75-601 et. seq. of the Colorado Revised Statutes. Both the CSIP Liquid Portfolio and the Term Portfolio can be utilized for many types of government funds including general funds, operating funds, bond proceeds, debt service funds, operating reserves and debt service reserve funds. A short-term portfolio rated AAAm by Standard & Poor's and AAAMmf by Fitch Ratings.
- The money market fund of the PFM managed account is the Colorado Statewide Investment Program (CSIP) and is rated AAAm. As an investment pool these firms operate under the Colorado Revised Statutes (24-75-701) and are overseen by the Colorado Securities Commissioner. They invest in securities that are specified by the Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). They operate similar to a money market fund with a share value equal to \$1.00. CSIP doesn't have any redemption restrictions.

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

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

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

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

NOTE 3 - RECEIVABLES

Receivables as of the year end for the District’s individual major funds, including the applicable allowance for uncollectible accounts in the amount of \$3 million, are as follows:

	General Fund	Capital Projects	Non Major - Cherry Hills Property Tax Special Revenue Fund	Self-Insured Internal Service Fund	Total Governmental Activities
Accounts, net	\$ 6,580,885	\$ 100,342	\$ 1,329	\$ 29,080	\$ 6,711,636
Lease	432,278	—	—	—	432,278
Taxes	124,574,007	—	283,358	—	124,857,365
Interest	95,716	—	—	—	95,716
Total Receivables	<u>\$ 131,682,886</u>	<u>\$ 100,342</u>	<u>\$ 284,687</u>	<u>\$ 29,080</u>	<u>\$ 132,096,995</u>

	Building Rental Fund	Total Business-Type Funds	Total All Funds
Accounts, net	\$ —	\$ —	\$ 6,711,636
Lease	2,311,245	2,311,245	2,743,523
Taxes	—	—	124,857,365
Interest	—	—	95,716
Total Receivables	<u>\$ 2,311,245</u>	<u>\$ 2,311,245</u>	<u>\$ 134,408,240</u>

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

At the end of the current fiscal year, the various components of unavailable revenue reported in the governmental funds were as follows:

Property Tax Revenue

General Fund Property taxes receivable	\$ 124,574,007
Cherry Hills Property taxes receivable (Special Revenue Fund)	283,358
	<hr/>
	\$ 124,857,365
	<hr/> <hr/>

NOTE 4 - CAPITAL ASSETS

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 7,367,556	\$ —	\$ 960,760	\$ 6,406,796
Construction in progress	—	2,001,151	—	2,001,151
Total capital assets, not being depreciated	<u>7,367,556</u>	<u>2,001,151</u>	<u>960,760</u>	<u>8,407,947</u>
Capital assets, being depreciated:				
Buildings	77,115,534	1,968,997	—	79,084,531
Vehicles	41,845,073	2,662,509	443,158	44,064,424
Equipment	15,042,573	1,957,279	807,152	16,192,700
Total capital assets, being depreciated	<u>134,003,180</u>	<u>6,588,785</u>	<u>1,250,310</u>	<u>139,341,655</u>
Less accumulated depreciation for:				
Buildings	(27,929,747)	(2,112,212)	—	(30,041,959)
Vehicles	(28,995,862)	(3,192,054)	(443,158)	(31,744,758)
Equipment	(9,155,741)	(2,374,046)	(604,665)	(10,925,122)
Total accumulated depreciation	<u>(66,081,350)</u>	<u>(7,678,312)</u>	<u>(1,047,823)</u>	<u>(72,711,839)</u>
Total capital assets, being depreciated, net	<u>67,921,830</u>	<u>(1,089,527)</u>	<u>202,487</u>	<u>66,629,816</u>
Governmental activities capital assets, net	<u>75,289,386</u>	<u>911,624</u>	<u>1,163,247</u>	<u>75,037,763</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	2,598,566	—	—	2,598,566
Total capital assets, not being depreciated	<u>2,598,566</u>	<u>—</u>	<u>—</u>	<u>2,598,566</u>
Capital assets, being depreciated:				
Buildings	5,924,063	—	—	5,924,063
Equipment	364,704	5,578	—	370,282
Total capital assets, being depreciated	<u>6,288,767</u>	<u>5,578</u>	<u>—</u>	<u>6,294,345</u>
Less accumulated depreciation for:				
Buildings	(2,861,963)	(286,219)	—	(3,148,182)
Equipment	(34,474)	(55,585)	—	(90,059)
Total accumulated depreciation	<u>(2,896,437)</u>	<u>(341,804)</u>	<u>—</u>	<u>(3,238,241)</u>
Total capital assets, being depreciated, net	<u>3,392,330</u>	<u>(336,226)</u>	<u>—</u>	<u>3,056,104</u>
Business-type activities capital assets, net	<u>\$ 5,990,896</u>	<u>\$ (336,226)</u>	<u>\$ —</u>	<u>\$ 5,654,670</u>

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

Governmental activities:	
Operations	\$ 1,200,304
Administration	6,363,403
Dispatch	114,605
Total depreciation expense - governmental activities	<u>\$ 7,678,312</u>

Business-type activities:	
Building Rental	\$ 341,804
Total depreciation expense - business-type activities	<u>\$ 341,804</u>

NOTE 5 - INTERFUND TRANSFERS AND BALANCES

The transfer from the General Fund to the Capital Projects fund is to cover capital expenditures.

Transfers between funds during 2022 were as follows:

	Trabsfers In:	
	<u>Capital Projects</u>	
	Fund	Total Transfers
Transfer Out:		
<u>General Fund</u>	<u>\$ 15,000,000</u>	<u>\$ 15,000,000</u>
Total Transfers Out	<u>\$ 15,000,000</u>	<u>\$ 15,000,000</u>

Interfund receivable and payable balances arise due to short-term cash flow needs. At December 31, 2022, the balances are as follows:

	Due From:
	<u>Self-Insured</u>
	Internal Service
	Fund
Due to:	
<u>General Fund</u>	<u>\$ 52,345</u>
Total	<u>\$ 52,345</u>

NOTE 6 – LEASES

Lessee

The District leases real estate, copy machines, staff vehicles, and EMS power loads under annually cancelable leases. The total lease payments in 2022 were \$592,596, including \$571,846 in principal payments, \$18,530 in interest payments, and \$2,220 in other charges not included in lease liability.

Lease Assets

Lease asset activity for the year ended December 31, 2022, was as follows:

Lease Assets:	Balance			Balance
	January 1, 2022	Additions	Deletions	December 31, 2022
Vehicles	\$ 1,858,011	\$ 201,271	\$ 48,971	\$ 2,010,311
Real Estate	-	2,042,732	-	2,042,732
Copiers	182,991	3,101	-	186,092
Total Lease Assets, Being Amortized	2,041,002	2,247,104	48,971	4,239,135
Less accumulated amortization:				
Vehicles	451,714	388,564	29,429	810,849
Real Estate	-	121,591	-	121,591
Copiers	3,102	71,334	-	74,436
Total Accumulated Amortization:	454,816	581,489	29,429	1,006,876
Total Lease Assets, Net	\$ 1,586,186	\$ 1,665,615	\$ 19,542	\$ 3,232,259

Lease Liabilities

The following is a summary of changes in lease liabilities of the District for the year ended December 31, 2022:

Leases	Balance			December 31,	Due Within
	January 1, 2022	Additions	Deletions	2022	One Year
Vehicles	\$ 1,443,047	\$ 194,968	\$ 431,501	\$ 1,206,514	\$ 436,619
Real Estate	-	2,042,732	103,261	1,939,471	254,709
Copiers	149,141	-	37,084	112,057	37,218
Total	\$ 1,592,188	\$ 2,237,700	\$ 571,846	\$ 3,258,042	\$ 728,546

Future Lease Payments

The future lease payments for all leases discussed above are expected to be paid as follows:

Maturity Analysis	Principal	Interest	Total
2023	728,546	40,713	769,259
2024	719,970	33,585	753,556
2025	594,824	26,348	621,172
2026	339,608	19,806	359,414
2027	349,860	13,382	363,242
2028-2032	525,234	8,277	533,511
Total	3,258,042	142,111	3,400,153
Lease Liability	3,258,042		

Lessor

Government-Wide Activities

The District leases space in five of its buildings and on its communication tower to four cell phone wireless companies. The communications tower has space leased to one neighboring fire district, a Communications District in a nearby county, and a school district for placement of antennas. In 2022, total receipts for renting this space was \$209,514. Lease revenue was \$207,495 and lease interest revenue was \$2,019.

The primary function of the building rental fund is the leasing of office space. The District leases a portion of its administrative building and the minimum anticipated receipts for the next five years are as follows:

Future Lease Receipts for Business-Type Activities

The District leases a portion of its administrative building, and in 2022 total receipts of renting this space was \$765,319. Lease revenue was \$564,339, non-lease component revenue was \$191,676 and lease interest revenue was \$9,304.

The future lease receipts for Business-Type leases are expected to be as follows:

Maturity Analysis	Revenue	Interest	Total
2023	538,104	7,529	476,334
2024	468,805	5,798	474,603
2025	468,805	4,061	472,866
2026	468,805	2,318	471,122
2027	366,727	592	367,319
Total	2,311,245	20,298	2,262,244
Lease receivable	2,311,245		

NOTE 7 - GENERAL OBLIGATION DEBT

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

NOTE 8 - CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2022 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due within one year
Governmental Activities:					
Compensated Absences	\$ 7,285,058	\$ 1,320,614	\$ 1,176,595	\$ 7,429,077	\$ 742,908
Net pension liability	2,068,675	—	403,256	1,665,419	—
Lease liability	1,592,188	2,237,700	571,846	3,258,042	728,546
OPEB RHS liability	17,855,709	—	776,929	17,078,780	1,398,985
Long-Term Liabilities	\$ 28,801,630	\$ 3,558,314	\$ 2,928,626	\$ 29,431,318	\$ 2,870,439

The General Fund will typically be used to liquidate these liabilities.

NOTE 9 - TAX ABATEMENTS

In accordance with GASB Statement No. 77, the District has disclosed all agreements entered into with other entities that involve property tax abatements. It is important to note that the District has not directly entered into any abatement agreements. The terms of the agreements and payment amounts as of December 31, 2022 are detailed as follows:

The Town of Parker approved the creation of the Parker Authority for Reinvestment (the URA) that in turn adopted three urban renewal plans, namely the Parker Road Plan, Parker Central Plan and Cottonwood Plan that are within the District's boundaries. The creation of the URA allows for Tax Increment Financing (TIF) as described under section 31-25-101 of the Colorado Revised Statutes. The URA has retained all property taxes categorized as TIF within the designated areas and has not entered into any agreement to share those revenues with the District. As a result, \$741,273 of property tax revenue was diverted from the District during the year ending December 31, 2022. The total TIF amounts are outlined below:

	Prior Years	2022
Total TIF	\$ 1,568,366	\$ 741,273

NOTE 10 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; or acts of God. The District is a member of the Colorado Special District Property and Liability Pool (Pool) as of December 31, 2022. The Pool is an organization created by intergovernmental agreement to provide workers compensation coverage to its members.

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

The District provides health benefits to employees through the SMFR Medical Self-Insured Fund that is reported as an Internal Service Fund. The SMFR Medical Self-Insured Fund collects the District and employee medical premiums. The funds are used to pay for the Stop

Loss Insurance, administration fees to the third-party administrator and to medical claims of the insured.

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

NOTE 11 - RELATED PARTY TRANSACTIONS

South Metro Safety Foundation

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

Related party transactions

In 2022, four employees were paid a total of \$12,567 for services performed. The services performed were related to embroidery and leather work for equipment used in the operations of the District.

Additionally, the District conducted transactions totaling \$33,854 with two companies that were considered related parties of the District either because the district employee's family owned the company or the District employee worked for the company. The District feels these transactions are priced competitively and are accurately characterized as "arm's length" transactions.

NOTE 12 – PENSION AND OTHER POST EMPLOYMENT BENEFITS

Defined Contribution Benefit Plans

1) Paid Firefighters and Administration Plan

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

Benefit terms, including contribution requirements, for the Plan are established by the Board of Directors. State statutes require the District to contribute at least 8% to the firefighter pension plan. The District currently contributes 12% of base pay for all employees to the pension plan. The employees, also, contribute 12% of base pay. For the year ended December 31, 2022 the District contributed and recognized as expense \$7,154,106 and employees contributed a total of \$7,153,025.

Employees are immediately vested in their own contributions and become vested in the District contributions over 3 years. Thirty-three and one third percent is vested each year so that at the end of 3 years they are fully vested. Non-vested District contributions are forfeited upon termination of employment. Forfeitures can be used to decrease District contributions. Forfeitures totaling \$254,994 were returned to the plan during 2022.

Defined Benefit Plans

The Fire and Police Pension Association of Colorado (FPPA) administers a statewide multiple-employer public employee retirement system providing defined benefit plan coverage for police officers and firefighters throughout the State of Colorado. The Affiliated Local Plans are plans for which FPPA has been asked to and has undertaken investment and recordkeeping responsibility but are not plans for which FPPA has determined or set the benefits or set the funding policy. Volunteer Plans that have chosen to affiliate with FPPA for investment and administrative purposes are still governed by their local plan document or by the Colorado statutes and local pension board, each has a separate actuarial valuation completed every two years.

The District contributes to the Statewide Defined Benefit Plan (SWDB) and Statewide Hybrid Plan (SWH), cost-sharing multiple-employer defined benefit pension plans administered by FPPA. Some of the employees from former Cunningham Fire Protection District participate in the SWDB and some of the employees from former Littleton Fire Rescue participate in both SWDB and SWH. The unification with Cunningham Fire Rescue occurred on January 1, 2018 and the unification with Littleton Fire Rescue occurred on January 1, 2019. Newly hired employees are not eligible to participate in the SWDB or SWH plans.

In addition, the District has affiliated with FPPA for the administration of its old hire and volunteer plans that have occurred through mergers or name changes over the years. There are a total of three such plans which include Parker Fire Protection District Volunteer Plan, South Metro Fire Rescue Volunteer Plan, and Cherry Hills Old Hire Plan. The plans are part of an agent multiple-employer Public Employees Retirement System (PERS) administered by FPPA. When the last participant of the plan passes away, the residual assets will transfer to the District and can only be used for fire related purposes. The plan is excluded from being reported as a fiduciary component unit since it is not material to the District.

Net pension liability (asset) is the difference between the total pension liability and the fiduciary net position as of the measurement date. If the fiduciary net position exceeds the total pension liability as of the measurement date, there is a net pension asset.

Deferred inflows of resources and deferred outflows of resources are the amounts that are required to be deferred and recognized in subsequent periods. Deferred outflows of resources are reported on the statement of net position or balance sheet below assets, while deferred inflows are reported below liabilities. These amounts refer to items that are not yet recognized in the net pension liability (asset) or pension expense and include:

- Differences between expected and actual plan experience
- Changes in actuarial assumptions
- Differences between projected and actual investment earnings on pension plan investments
- Changes in proportion
- Employer contributions made subsequent to the measurement date through the fiscal year end

Deferred outflows of resources and deferred inflows of resources will be recognized as follows:

- Differences in plan experience, changes in assumptions, and changes in proportion will be amortized over the remaining service lives of current and former employees, and retirees.
- The differences between expected and actual investment earnings will be amortized over a five-year period.
- Contributions made subsequent to the measurement date will be recognized as a reduction (increase) of the net pension liability (asset) in the subsequent year.

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

The following table summarizes each of the District's FPPA plans and the respective pension activity recorded in the financials:

	Net Pension Liability	Net Pension (Asset)	Pension Expense (Income)	Deferred Inflows	Deferred Outflows
Parker Fire Protection District Volunteer Plan	\$ 277,010	\$ —	\$ 19,115	\$ 22,009	\$ 94,767
South Metro Fire Rescue Volunteer Plan	49,024	—	2	27,269	48,233
Cherry Hills Old Hire Plan	1,339,385	—	(79,101)	136,761	216,735
South Metro FPPA Plan - SWDB	—	(13,079,974)	(1,225,953)	9,058,918	8,905,056
South Metro FPPA Plan - SWH	—	(1,837,850)	62,608	520,640	908,819
Totals	<u>\$ 1,665,419</u>	<u>\$ (14,917,824)</u>	<u>\$ (1,223,329)</u>	<u>\$ 9,765,597</u>	<u>\$ 10,173,610</u>

2) Parker Fire Protection District Volunteer Pension Plan

The Pension Fund's Board of Trustees is comprised of the five Directors of the Parker Fire Protection District plus two retired volunteer members. At December 31, 2021, there are 20 retired volunteers and/or beneficiaries receiving benefits. The volunteer plan is a closed plan and there are no active members. There are no inactive members not yet receiving benefits. The benefit amount is \$800 per month after reaching 50 years of age and 20 years of service. Any member having a minimum of 10 years of service and reaching 50 years of age may receive a benefit of \$40 per month for each year of service for a minimum of \$400. There is no COLA attached to this plan. In addition, the plan provides death and disability benefits. The plan is funded based on the bi-annual actuarial study. The contribution made by the District is the full amount of the required contribution. Plan members do not make

contributions. The latest actuarial study was performed as of January 1, 2021. The next study will be performed January 1, 2023. The actuarial study as of January 2021 determines the contributions for 2022 and 2023 which is \$94,767.

The changes in the net pension liability for the measurement period at December 31, 2021 are calculated as follows:

A. Total Pension Liability	
Interest on the Total Pension Liability	\$ 37,551
Difference between expected and actual experience of the Total Pension Liability	-
Changes of assumptions	-
Benefit payments	<u>(64,932)</u>
Net change in total pension liability	\$ (27,381)
Total pension liability - beginning	<u>568,361</u>
Total pension liability - ending	<u><u>\$ 540,980</u></u>
B. Plan fiduciary net position	
Contributions - employer	\$ 45,550
Net investment income	33,793
Benefit payments	(64,932)
Pension plan administrative expense	<u>(7,271)</u>
Net change in plan fiduciary net position	\$ 7,140
Plan fiduciary net position - beginning (Market value of assets at beginning of year)	<u>256,830</u>
Plan fiduciary net position - ending (Market value of assets at end of year)	<u><u>\$ 263,970</u></u>
C. Net pension liability	<u><u>\$ 277,010</u></u>
D. Plan fiduciary net position as a percentage of the total pension liability	48.79 %

For the year ended December 31, 2022, the District recognized pension expense of \$19,115. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Net difference between projected and actual earnings on pension plan investments	\$ —	\$ 22,009
Contributions subsequent to the measurement date	94,767	—
Total	<u><u>\$ 94,767</u></u>	<u><u>\$ 22,009</u></u>

Contributions subsequent to the measurement date of December 31, 2021, which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction in the net pension liability in the year ended December 31, 2023. Other amounts reported as

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

Year Ending December 31	Net Deferred Outflows/ (Inflows) of Resources
2023	\$ (4,830)
2024	(8,696)
2025	(5,135)
2026	(3,348)
Total	<u>\$ (22,009)</u>

Actuarial Assumptions

The total pension liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Withdrawal Rate	20% of members age 50 and eligible for a terminated vested benefit which would commence immediately are assumed to withdraw each year
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	7.00%
Retirement Age	50% per year of eligibility until 100% at age 65.
Mortality Tables	<p>Pre-Retirement: 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality.</p> <p>Post-Retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.</p> <p>Disabled: 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.</p>

There were no changes in assumptions from the prior valuation. The actuarial assumptions were set by the FPPA Board based on a regularly scheduled experience study in 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of

return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic nominal rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Cash	2.00 %	2.32 %
Fixed income - Rates	10.00 %	4.00 %
Fixed income - Credit	5.00 %	5.25 %
Absolute return	10.00 %	5.60 %
Equity long/short	8.00 %	6.87 %
Global public equity	39.00 %	8.23 %
Private markets	26.00 %	10.63 %
Total	100%	

Single Discount Rate Sensitivity. Regarding the sensitivity of the net pension liability to changes in the Single Discount Rate, the following presents the plans' net pension liability, calculated using a Single Discount Rate of 7.00%, as well as what the plans' net pension liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher.

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Proportion share of the net pension liability	\$ 315,175	\$ 277,010	\$ 243,375

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in FPPA's annual comprehensive financial report, which can be obtained at <http://www.fppaco.org>.

3) South Metro Fire Rescue Volunteer Pension Plan

Retirement, disability and death benefits are paid in accordance with the plan provisions established by the Board of Trustees. Full retirement benefit of \$800 per month may commence when the retiree has twenty years of qualified service and is at least 50 years of age. Reduced benefits of \$40 per month may be earned after ten years of qualified service at age 50 up to a maximum of \$400. Spouses of deceased firefighters may receive 50% of the current pension benefits. There is a \$500 funeral benefit.

At December 31, 2021 there are 13 retirees and/or beneficiaries receiving benefits. The plan is funded based on the bi-annual actuarial study. The contribution made by the District is the

full amount of the required contribution. Plan members do not make contributions. The volunteer plan is a closed plan and there are no active members. There are no inactive members not yet receiving benefits. The latest actuarial study was performed as of January 1, 2021. The next study will be performed January 1, 2023. The actuarial study as of January 2021 determines that \$48,233 of contributions are needed for the 2022 and 2023 years.

The changes in the net pension liability for the measurement period at December 31, 2021 is calculated as follows:

A. Total Pension Liability	
Interest on the Total Pension Liability	\$ 22,995
Difference between expected and actual experience of the Total Pension Liability	-
Changes of assumption	-
Benefit payments	<u>(35,400)</u>
Net change in total pension liability	\$ (12,405)
Total pension liability - beginning	<u>345,899</u>
Total pension liability - ending	<u><u>\$ 333,494</u></u>
B. Plan fiduciary net position	
Contributions - employer	\$ 11,311
Net investment income	38,253
Benefit payments	(35,400)
Pension plan administrative expense	<u>(5,627)</u>
Net change in plan fiduciary net position	\$ 8,537
Plan fiduciary net position - beginning (Market value of assets at beginning of year)	<u>275,933</u>
Plan fiduciary net position - ending (Market value of assets at end of year)	<u><u>\$ 284,470</u></u>
C. Net pension liability	<u><u>\$ 49,024</u></u>
D. Plan fiduciary net position as a percentage of the total pension liability	85.30 %

For the year ended December 31, 2022, the District recognized pension expense of \$2. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ —	\$ 27,269
Contributions subsequent to the measurement date	48,233	—
Total	<u><u>\$ 48,233</u></u>	<u><u>\$ 27,269</u></u>

Contributions subsequent to the measurement date of December 31, 2021, which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction in the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Net Deferred Outflows/ (Inflows) of Resources
2023	\$ (6,189)
2024	(10,448)
2025	(6,640)
2026	(3,992)
Total	<u>\$ (27,269)</u>

Actuarial Assumptions

The total pension liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Withdrawal Rate	20% of members age 50 and eligible for a terminated vested benefit which would commence immediately are assumed to withdraw each year
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	7.00%
Retirement Age	50% per year of eligibility until 100% at age 65.
Mortality Tables	<p>Pre-Retirement: 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality.</p> <p>Post-Retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.</p> <p>Disabled: 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.</p>

There were no changes in assumptions from the prior valuation. The actuarial assumptions were set by the FPPA Board based on a regularly scheduled experience study in 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic nominal rates of return for each major asset class included in the Fund’s target asset allocation as of December 31, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Cash	2.00 %	2.32 %
Fixed income - Rates	10.00 %	4.00 %
Fixed income - Credit	5.00 %	5.25 %
Absolute return	10.00 %	5.60 %
Equity long/short	8.00 %	6.87 %
Global public equity	39.00 %	8.23 %
Private markets	26.00 %	10.63 %
Total	100%	

Single Discount Rate Sensitivity

Regarding the sensitivity of the net pension liability to changes in the Single Discount Rate, the following presents the plans’ net pension liability, calculated using a Single Discount Rate of 7.00%, as well as what the plans’ net pension liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher.

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Proportion share of the net pension liability	\$ 75,319	\$ 49,024	\$ 26,166

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

4) **Cherry Hills Old Hire Firefighter Plan**

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

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

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

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

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

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

At December 31, 2021, there are 10 retirees and/or beneficiaries receiving benefits from this plan. This plan was closed upon the merger of Cherry Hills Fire Protection District and South Metro Fire Rescue. This is a closed plan and there are no active members. There are no inactive members not yet receiving benefits.

Contributions are dependent on the biannual actuarial studies done by FPPA, which at January 1, 2020 determined a \$216,735 contribution be made in 2021 and 2022. The next actuarial study was done as of January 1, 2022. The contribution was recorded from the Cherry Hills Property Tax Special Revenue Fund, which collects the property tax receipts from the properties in the old Cherry Hills Fire Protection District which are used to fund the Old Hire Pension Trust Fund.

The changes in the net pension liability for the measurement period at December 31, 2021 is calculated as follows:

A. Total pension liability	
Interest on the Total Pension Liability	\$ 247,687
Difference between expected and actual experience of the Total Pension Liability	(132,085)
Changes of assumptions	—
Benefit Payments	<u>(356,974)</u>
Net change in pension liability	\$ (241,372)
Total pension liability - beginning	<u>3,986,249</u>
Total pension liability - ending	<u><u>\$ 3,744,877</u></u>
B. Plan fiduciary net position	
Contributions - employer	\$ 216,735
Net investment income	249,749
Benefit payments	(356,973)
Pension Plan Administrative Expense	<u>(3,089)</u>
Net change in plan fiduciary net position	<u>\$ 106,422</u>
Plan fiduciary net position - beginning (Market value of assets at beginning of year)	<u>2,299,070</u>
Plan fiduciary net position - ending (Market value of assets at end of year)	<u><u>\$ 2,405,492</u></u>
C. Net pension liability	<u><u>\$ 1,339,385</u></u>
D. Plan fiduciary net position as a percentage of the total pension liability	64.23 %

For the year ended December 31, 2022, the District recognized a reduction of pension expense of \$79,101. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ —	\$ 136,761
Contributions subsequent to the measurement date	<u>216,735</u>	<u>—</u>
Total	<u><u>\$ 216,735</u></u>	<u><u>\$ 136,761</u></u>

Contributions subsequent to the measurement date of December 31, 2021, which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction in the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Net Deferred Outflows/ (Inflows) of Resources
2023	\$ (25,185)
2024	(56,105)
2025	(34,493)
2026	(20,978)
Total	<u>\$ (136,761)</u>

Actuarial Assumptions

The total pension liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Withdrawal Rate	20% of members age 50 and eligible for a terminated vested benefit which would commence immediately are assumed to withdraw each year
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	6.50%
Retirement Age	Any remaining actives are assumed to retire immediately.
Mortality Tables	Post-Retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years. Disabled (pre-1980): Post-retirement rates set forward three years.

There were no changes in assumptions from the prior valuation. The actuarial assumptions were set by the FPPA Board based on a regularly scheduled experience study in 2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic nominal rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Cash	5%	0.10%
Fixed income - Rates	32%	2.30%
Fixed income - Credit	6%	3.50%
Absolute return	6%	5.60%
Equity long/short	6%	6.90%
Global public equity	17%	7.80%
Private markets	28%	10.50%
Total	100%	

Single Discount Rate Sensitivity

Regarding the sensitivity of the net pension liability to changes in the Single Discount Rate, the following presents the plans' net pension liability, calculated using a Single Discount Rate of 7.00%, as well as what the plans' net pension liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher.

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Proportion share of the net pension liability	\$ 1,636,958	\$ 1,339,385	\$ 1,078,446

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in FPPA's annual comprehensive financial report, which can be obtained at <http://www.fppaco.org>.

The Pension Plan is funded entirely by a mill levy assessed on the former Cherry Hills Fire Protection District. For 2022 the mill levy was 0.500 mills.

5) **Fire and Police Pension Plan (FPPA) – Statewide Defined Benefit Plan**

Plan description. The Statewide Defined Benefit Plan (SWDB) is a cost-sharing multiple – employer defined benefit pension plan. The SWDB plan became effective January 1, 1980 and is administered by FPPA.

Employers once had the option to elect to withdraw from the SWDB plan, but a change in state statutes permitted no further withdrawals after January 1, 1988.

Colorado Revised Statutes, Title 31, Article 31 grants the District to establish and amend the benefit terms to the Fire & Police Pension Association of Colorado Board of Directors. FPPA issues a publicly available financial report that can be obtained at www.fppaco.org.

Benefits provided. A member is eligible for a normal retirement pension once the member has completed 25 years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. Benefit adjustments paid to retired members are evaluated annually and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

A member may elect to participate in the deferred retirement option plan (DROP) after reaching eligibility for normal retirement, early retirement, or vested retirement at age 55. A member can continue to work while participating in the DROP, but must terminate employment within 5 years of entry into DROP. The member's participating percentage of retirement benefit is determined at the time of entry into the DROP. The monthly payments that begin at the entry into the DROP are accumulated in a DROP account until the member terminates service, at which time the DROP accumulated benefits can be paid as periodic installments, a lump sum, or if desired, a member may elect to convert the DROP to a lifetime monthly benefit with survivor benefits. While participating in the DROP, the member continues to make pension contributions that are credited to the DROP. Effective January 1, 2003, the member shall self-direct investments of their DROP funds.

Contributions. Through December 31, 2021, contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership. Effective January 1, 2021, contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions increase 0.5

percent annually beginning in 2021 through 2030 to a total of 13.0 percent of pensionable earnings. In 2021, members of the SWDB plan and their employers are contributing at the rate of 11.5 percent and 8.5 percent, respectively, of pensionable earnings for a total contribution rate of 20.0 percent.

The contribution rate for members and employers of affiliated social security employers is 5.75 percent and 4.25 percent, respectively, of pensionable earnings for a total contribution rate of 10.0 percent in 2021. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

The member contribution rate as of December 31, 2022 was 12% and the District's contribution rate was 9.0%. Contributions to the SWDB plan from the District were \$1,666,658 for the year ended December 31, 2022.

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

At December 31, 2022, the District reported an asset of \$13,079,974 for its proportionate share of the SWDB net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2022, which was unchanged from December 31, 2021. The District's proportion of the net pension asset was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. At December 31, 2021, the District's proportion was 2.414 percent, which was a decrease of 0.199 percent from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the District recognized pension income of \$1,225,953. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	\$ 3,745,487	\$ 305,062
Changes of assumptions or other inputs	1,865,298	—
Net difference between projected and actual earnings on pension plan investments	—	8,753,856
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,627,613	—
Contributions subsequent to the measurement date	1,666,658	—
Total	<u>\$ 8,905,056</u>	<u>\$ 9,058,918</u>

Total reported deferred outflows of resources related to pension were \$1,666,658 resulting from District contributions subsequent to measurement date will be recognized as an increase of the net pension asset in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Net Deferred Outflows/ (Inflows) of Resources
2023	\$ (933,120)
2024	(1,838,598)
2025	(924,260)
2026	(90,774)
2027	1,016,906
Thereafter	<u>949,326</u>
Total	\$ (1,820,520)

Actuarial Assumptions. The January 1, 2022 actuarial valuation used the following actuarial assumptions and other inputs:

	Total Pension Liability
Actuarial valuation date	January 1, 2022
Actuarial method	Entry Age Normal
Amortization method	N/A
Amortization period	N/A
Long-term investment rate of return*	7.00%
Projected salary increases*	4.25% - 11.25%
Cost of living adjustments (COLA)	0.00%
*Includes inflation at	2.50%

For determining the total pension liability post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The preretirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund’s target asset allocation as of December 31, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	39%	8.23%
Equity long/short	8%	6.87%
Private markets	26%	10.63%
Fixed income - Rates	10%	4.01%
Fixed income - Credit	5%	5.25%
Absolute return	10%	5.60%
Cash	2%	2.32%
Total	100%	

Discount Rate. The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board’s funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District’s Proportionate Share of the Net Pension Asset to Changes in the Discount Rate. The following presents the District’s proportionate share of the net pension liability (asset) calculated using the discount rate of 7.0 percent, as well as what the District’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Proportion share of the net pension liability (asset)	\$ (1,803,810)	\$ (13,079,974)	\$ (22,421,648)

Changes Between the Measurement Date of the Net Pension Asset and December 31, 2022. *Statewide Retirement Plan:* During 2022, House Bill 22-1034 was signed into law. This legislation combines the assets and liabilities of the Statewide Defined Benefit Plan and

Statewide Hybrid Plan to form the Statewide Retirement Plan effective January 1, 2023. The merger will result in increased longer-term stability for both plans in addition to simplification of administration, operation and communication of benefits. The financial impact of the merger of plans is being determined. *Actuarial Experience Study*: During 2022, FPPA engaged Gabriel, Roeder Smith & Co. to complete an actuarial experience study. The FPPA Board of Directors accepted the findings of the study at its July 28, 2022 meeting. These assumptions will be included in the Statewide Retirement Plan valuation as of January 1, 2023.

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

6) **State Fire and Police Pension Plan (FPPA) – Statewide Hybrid Plan**

Plan description. The Statewide Hybrid Plan (SWH) is a cost-sharing multiple employer defined benefit pension plan covering full-time firefighters and police officers from departments that elect coverage. The SWH plan may also cover clerical staff or other fire district personnel whose services are auxiliary to fire protection. The SWH plan is comprised of two components: Defined Benefit and Money Purchase. With the latter component, employees have the option of choosing among various mutual funds offered by an outside investment manager. Employers may not withdraw from the SWH plan once affiliated.

The SWH is comprised of two components: Defined Benefit and Money Purchase. The Plan assets associated with the Defined Benefit Component are included in the Fire & Police Members’ Benefit Investment Fund and the Plan assets associated with the Money Purchase Component and Deferred Retirement Option Plan (DROP) assets are included in the Fire & Police Members’ Self-Directed Investment Fund.

Colorado Revised Statutes, Title 31, Article 31 grants the authority to establish and amend the benefit terms to the Fire & Police Pension Association of Colorado Board of Directors. FPPA issues a publicly available financial report that can be obtained at www.fppaco.org.

Benefits provided. The SWH plan document states that any member may retire from further service and become eligible for a normal retirement pension at any time after age 55 if the member has at least 25 years of service.

The annual normal pension of the Defined Benefit Component is 1.5 percent of the average of the member’s highest three years’ base salary for each year of credited service. Benefits paid to retired members of the Defined Benefit Component are evaluated and may be re-determined annually on October 1. The amount of any increase is based on the Board’s discretion and can range from 0 to 3 percent.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent

basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Defined Benefit Component of the SWH plan and remain eligible for a retirement pension at age 55 equal to 1.5 percent of the average of the member's highest three years' base salary for each year of credited service. In addition, upon termination, the vested account balance within the Money Purchase Component becomes available to the member.

A member may elect to participate in the DROP after reaching eligibility for normal retirement, early retirement or vested retirement and age 55. A member continues to work while participating in the DROP, but must terminate employment within five years of entry into the DROP. The member's percentage of retirement benefit is frozen at the time of entry into the DROP. The monthly payments that begin at entry into the DROP are accumulated until the member terminates service, at which time the DROP accumulated benefits can be paid as periodic installments, a lump sum, or if desired a member may elect to convert the DROP to a lifetime monthly benefit with survivor benefits. The member continues to make contributions, which are credited to the DROP. The member shall self-direct the investments of their DROP funds.

Contributions. The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. The members of the SWH plan and their employers are currently each contributing at the rate determined by the individual employer, however, the rate for both employer and members must be at least 8 percent of the member's pensionable earnings. The amount allocated to the Defined Benefit Component is set annually by the FPPA Board of Directors. Excess contributions fund the Money Purchase Component of the Plan. The Defined Benefit Component contribution rate from July 1, 2020 through June 30, 2021 was 13.80 percent. The Defined Benefit Component contribution rate from July 1, 2019 through June 30, 2020 was 13.80 percent. Effective July 1, 2021 the Defined Benefit Component contribution rate is set at 14.10 percent.

Within the Money Purchase Component, members are always fully vested in their own contributions, as well as the earnings on those contributions. Vesting in the employer's contributions within the Money Purchase Component, and earnings on those contributions occurs according to the vesting schedule set by the SWH plan document at 20 percent per year after the first year of service to be 100 percent vested after 5 years of service. Employer and member contributions are invested in funds at the discretion of members.

Contributions to the SWH plan from the District were \$59,850 for the year ended December 31, 2022.

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

At December 31, 2022, the District reported an asset of \$1,837,850 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021,

and the total pension liability used to calculate the net pension asset was based upon the January 1, 2022 actuarial valuation, which was unchanged from December 31, 2021. The District's proportion of the net pension asset was based on the District's share of contributions to the pension plan relative to the contributions of all participating members. At December 31, 2021, the District's proportion was 4.847%, which was an increase of 0.193% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the District recognized a pension expense of \$62,608. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	\$ 367,050	\$ —
Changes of assumptions or other inputs	45,214	—
Net difference between projected and actual earnings on pension plan investments	—	520,640
Changes in proportion and differences between contributions recognized and proportionate share of contributions	436,705	—
Contributions subsequent to the measurement date	59,850	—
Total	\$ 908,819	\$ 520,640

The \$59,850 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Net Deferred Outflows/ (Inflows) of Resources
2023	\$ 151,475
2024	104,334
2025	57,693
2026	10,934
2027	6,534
Thereafter	(2,641)
Total	\$ 328,329

Actuarial assumptions. The January 1, 2022 actuarial valuation used the following actuarial assumptions and other inputs:

	Total Pension Liability
Actuarial valuation date	January 1, 2022
Actuarial method	Entry Age Normal
Amortization method	N/A
Amortization period	N/A
Long-term investment rate of return, net*	7.00%
Projected salary increases*	4.25% - 11.25%
Cost of living adjustments (COLA)	0.00%
*Includes inflation at	2.50%

For determining the total pension liability post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The preretirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	39%	8.23%
Equity long/short	8%	6.87%
Private markets	26%	10.63%
Fixed income - Rates	10%	4.01%
Fixed income - Credit	5%	5.25%
Absolute return	10%	5.60%
Cash	2%	2.32%
Total	100%	

Discount rate. The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board’s funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWH - Defined Benefit Component plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District’s proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the District’s proportionate share of the net pension liability (asset), calculated using the discount rate of 7.0%, as well as what the District’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Proportion share of the net pension liability (asset)	(1,402,359)	(1,837,850)	(2,201,464)

Changes Between the Measurement Date of the Net Pension Asset and December 31, 2022. *Statewide Retirement Plan:* During 2022, House Bill 22-1034 was signed into law. This legislation combines the assets and liabilities of the Statewide Defined Benefit Plan and Statewide Hybrid Plan to form the Statewide Retirement Plan effective January 1, 2023. The Statewide Hybrid Plan will become the Hybrid Defined Benefit Component of the Statewide Retirement Plan. The merger will result in increased longer-term stability for both plans in addition to simplification of administration, operation and communication of benefits. The financial impact of the merger of plans is being determined and will be reported in the December 31, 2022 GASB 68 report.

To complete the merger of the plans equitably, the funded status of the Statewide Hybrid Plan will be reduced to match the Statewide Defined Benefit Plan. To complete this action, a one-time benefit adjustment on all service accrued prior to the merger date of January 1, 2023 for current retirees, deferred vested, and active members will be applied. Member that have not started to receive a retirement benefit payment will receive a 1.9% benefit factor for service earned prior to January 1, 2023. Service earned after the merger date will continue to earn 1.5% benefit factor. Retired members receiving benefit payments as of the merger date will received a one-time benefit increase of 26.66% to implement in the benefit factor.

As part of this legislation, effective January 1, 2023, a member may also qualify for a normal retirement pension if the member’s combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

Additionally, the required minimum contributions to the Hybrid Defined Benefit Component will increase to 9% for members and 9% for employers. The increase will take effect January 1, 2023 at a rate of 0.125% per year through 2030. Employer departments with contribution rates that meet or are in excess of this amount will not be impacted by this change.

Actuarial Experience Study: During 2022, FPPA engaged Gabriel, Roeder Smith & Co. to complete an actuarial experience study. The FPPA Board of Directors accepted the findings of the study at its July 28, 2022 meeting. These assumptions will be included in the Statewide Retirement Plan valuation as of January 1, 2023.

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

8) **Other Postemployment Benefit Plan**

Retiree Health Savings Plan

The District has a single-employer defined benefit other postemployment benefit (OPEB) plan, Retiree Health Savings Plan (RHS). For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been determined on the same basis as they are reported by the OPEB. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Description

The District contributes to the Retiree Health Savings Plan (RHS), a single-employer defined benefit other postemployment benefit (OPEB) plan covering substantially all employees. This RHS plan has investment management services performed by Voya Financial and it is administrated by Total Administrative Services Corporation (TASC). No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 and the plan is funded on a “pay-as-you-go” basis. Benefit provisions are contained in Districts working agreement and were established and can be amended by action of the District’s governing body.

Benefits Provided

The RHS benefit is provided by the District to assist employees in building a fund for retirement health care expenses. Individuals are eligible to access these funds at the time of separation from service. Employees are automatically enrolled in the plan upon hire. There are two components to the RHS plan. First, the annually contribution for active employees where firefighter employees receive a District contribution of \$2,411 annually

and administrative staff employees receive a District contribution of \$1,415 annually. Second, the District guarantees a minimum RHS balance at separation of employment to eligible employees. This eligibility is determined using a combination of years of service and employees' age upon separation and the minimum guaranteed RHS balance is reduced based on age.

Actuarial Assumptions

The total OPEB liability in December 31, 2022, actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Measurement Date	December 31, 2022
Actuarial Cost Method	Entry Age Normal
Discount Rate	3.72% per annum
Benefit Increase Rate	3% per annum
Medical Eligibility	All current and future retirees
Mortality	Due to the nature of the benefit design and the current structure that the employee's RHS fund balance is not lost or reverted to the employer upon death, mortality assumption is not reflected as a conservative approach given the employee's estate can fully utilize the benefit.

The actuarial assumptions used in the December 31, 2022, valuations were based on the results of an actuarial experience study for the period January 1, 2022 through December 31, 2022. At the end December 31, 2022, there were 759 active and eligible employees covered by the benefit.

The discount rate was based on the 20-year, tax-exempt municipal bond rate. The discount rate was updated from 2.06% to 3.72% since the beginning of the fiscal year.

Total OPEB Liability

The District's total OPEB liability of \$17,078,780 was measured as of December 31, 2022, and was determined by actuarial valuations as of that date.

Changes in the total OPEB liability are:

	<u>2022</u>
Total OPEB liability, beginning of year	\$ 17,855,709
Changes for the year:	
Service cost	2,262,960
Interest cost	400,035
Changes in assumptions	(2,040,939)
Benefit payment	(1,398,985)
Net changes	<u>(776,929)</u>
Total OPEB liability, end of year	<u>\$ 17,078,780</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The total OPEB liability of the District has been calculated using a discount rate of 3.72%. The following presents the total OPEB liability using a discount rate 1 percent higher and 1 percent lower than the current discount rate:

	1% Decrease (2.72%)	Current Discount Rate (3.72%)	1% Increase (4.72%)
District's total OPEB liability	\$ 18,256,000	\$ 17,079,000	\$ 15,953,000

The total OPEB liability of the District has been calculated using health care cost trend rates of 3 percent. The following presents the total OPEB liability using health care cost trend rates 1 percent higher and 1 percent lower than the current health care cost trend rates.

	1% Decrease	Current Health Care Cost Trend Rates	1% Increase
District's total OPEB liability	\$ 15,329,000	\$ 17,079,000	\$ 19,068,000

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2022, the District recognized OPEB expense of \$1,097,491. At December 31, 2022, the District reported deferred outflows or resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ —	\$ (1,874,420)
Total	<u>\$ —</u>	<u>\$ (1,874,420)</u>

Other amounts reported as deferred inflows of resources at December 31, 2022, related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31	Net Deferred Outflows/ (Inflows) of Resources
2023	\$ (166,519)
2024	(166,519)
2025	(166,519)
2026	(166,519)
2027	(166,519)
Thereafter	(1,041,825)
Total	<u>\$ (1,874,420)</u>

9) Other Employee savings plans

Deferred compensation plans

The District has a deferred compensation plan, South Metro Fire 457(B) Plan, created in accordance with Internal Revenue Code Section 457. The plan is administered by Voya Financial. The plan allows the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseen emergencies. Employees are eligible to participate and to receive a match on the first date of hire.

The District has a matching program up to 4% for the Deferred Compensation Plan. The first 2% is contributed on the date of hire and requires no match. In the 5th year of service, an employee may receive total of 3% but the employee must contribute 1% to the Deferred Compensation Plan. In the 10th year of service, an employee may receive total of 4% but the employee must contribute 2% to the Deferred Compensation Plan. Employee and employer contributions are fully vested on the first day of participation in the plan.

For the year ended December 31, 2022, District contributed and recognized as expense \$2,573,896. Employees are 100% vested upon date of hire, therefore, there were no forfeitures returned to the plan during 2022.

NOTE 13 - TAX, SPENDING AND DEBT LIMITATIONS

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

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

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending

is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

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

The 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 and qualifications will require judicial interpretation.

NOTE 14 – CONTINGENCY

Litigation

Based on the nature of operations, the District is often named as a defendant in a variety of litigation claims. As of the date of this report, management is not aware of any material asserted claims against the District that are considered probable and would require accrual in the financial statements. While it is not possible to forecast the outcome of litigation or the timing of costs, in the opinion of management, it is not probable and is unlikely that litigation will have a material adverse effect on the financial position of the District.

REQUIRED SUPPLEMENTARY INFORMATION

**SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property taxes	\$ 125,723,047	\$ 124,988,592	\$ (734,455)
Specific ownership taxes	10,686,459	9,508,226	(1,178,233)
Charges for service - transports	12,371,288	12,769,267	397,979
Charges for service - plan review fees	1,823,500	2,450,898	627,398
Medicaid supplemental fee	6,377,395	6,951,772	574,377
Dispatch fees	121,721	121,721	—
Intergovernmental and other reimbursements	2,110,974	1,989,489	(121,485)
Investment income (loss)	470,000	(222,190)	(692,190)
Lease rental income	190,171	209,514	19,343
Miscellaneous revenue	403,990	312,212	(91,778)
Total revenues	<u>160,278,545</u>	<u>159,079,501</u>	<u>(1,199,044)</u>
EXPENDITURES			
Public safety			
Operations	104,477,124	103,360,737	1,116,387
Administration	39,461,229	37,018,066	2,443,163
Fire Marshal	5,519,294	5,486,597	32,697
Dispatch	4,318,114	3,930,886	387,228
Debt service lease payments	—	449,044	(449,044)
Debt service interest payments	—	5,291	(5,291)
Capital outlay	—	2,054,133	(2,054,133)
Total expenditures	<u>153,775,761</u>	<u>152,304,754</u>	<u>1,471,007</u>
Excess of revenues over (under) expenditures	<u>6,502,784</u>	<u>6,774,747</u>	<u>271,963</u>
OTHER FINANCING SOURCES (USES)			
Transfers to other funds	(15,000,000)	(15,000,000)	—
Lease proceeds	—	194,968	194,968
Sale of capital assets	—	1,695,905	1,695,905
Total other financing sources (uses)	<u>(15,000,000)</u>	<u>(13,109,127)</u>	<u>1,890,873</u>
Net change in fund balances	(8,497,216)	(6,334,380)	2,162,836
Fund balances - beginning of year	49,541,009	48,360,866	(1,180,143)
Fund balances - end of year	<u>\$ 41,043,793</u>	<u>\$ 42,026,486</u>	<u>\$ 982,693</u>

See the independent auditor's report and notes to the required supplementary information.

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

Measurement period ending December 31,	2014	2015	2016	2017	2018	2019	2020	2021
Total Pension Liability								
Service Cost	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Interest on Total Pension Liability	48,963	48,346	46,295	45,556	43,700	41,885	40,058	37,551
Difference between Expected and Actual Experience	20,301	—	(14,675)	—	24,121	—	(10,046)	—
Changes of Assumptions	—	—	30,490	—	17,714	—	—	—
Benefit Payments	(77,243)	(77,742)	(73,559)	(70,308)	(70,308)	(69,265)	(66,682)	(64,932)
Net Change in Pension Liability	\$ (7,979)	\$ (29,396)	\$ (11,449)	\$ (24,752)	\$ 15,227	\$ (27,380)	\$ (36,670)	\$ (27,381)
Total Pension Liability - Beginning	690,760	682,781	653,385	641,936	617,184	632,411	605,031	568,361
Total Pension Liability - Ending	\$ 682,781	\$ 653,385	\$ 641,936	\$ 617,184	\$ 632,411	\$ 605,031	\$ 568,361	\$ 540,980
Plan Fiduciary Net Position								
Employer Contributions	\$27,895	\$27,596	\$28,670	\$28,670	\$ —	\$61,238	\$ 45,550	\$45,550
Pension Plan Net Investment Income	26,156	6,604	17,007	41,017	1,128	33,879	26,007	33,793
Benefit Payments	(77,243)	(77,742)	(73,559)	(70,308)	(70,308)	(69,265)	(66,682)	(64,932)
Pension Plan Administrative Expense	(978)	(1,865)	(788)	(4,773)	(4,733)	(5,348)	(4,496)	(7,271)
Net Change in Fiduciary Net Position	\$ (24,170)	\$ (45,407)	\$ (28,670)	\$ (5,394)	\$ (73,913)	\$ 20,504	\$ 379	\$ 7,140
Plan Fiduciary Net Position - Beginning	413,501	389,331	343,924	315,254	309,860	235,947	256,451	256,830
Plan Fiduciary Net Position - Ending	\$ 389,331	\$ 343,924	\$ 315,254	\$ 309,860	\$ 235,947	\$ 256,451	\$ 256,830	\$ 263,970
Net Pension Liability/(Asset) Ending	\$ 293,450	\$ 309,461	\$ 326,682	\$ 307,324	\$ 396,464	\$ 348,580	\$ 311,531	\$ 277,010
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	57.02 %	52.64 %	49.11 %	50.21 %	37.31 %	42.39 %	45.19 %	48.79 %
Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

See the independent auditor's report and notes to the required supplementary information.

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

Measurement period ending December 31,	2014	2015	2016	2017	2018	2019	2020	2021
Total Pension Liability								
Service Cost	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Interest on Total Pension Liability	23,088	23,439	22,781	23,373	22,456	24,080	23,225	22,995
Benefit Changes	—	—	—	—	—	—	—	—
Difference between Expected and Actual Experience	21,632	—	5,285	—	46,692	—	9,345	—
Changes of Assumptions	—	—	13,362	—	11,763	—	—	—
Benefit Payments	(47,577)	(32,220)	(32,220)	(34,907)	(36,300)	(36,300)	(36,300)	(35,400)
Net Change in Pension Liability	\$ (2,857)	\$ (8,781)	\$ 9,208	\$ (11,534)	\$ 44,611	\$ (12,220)	\$ (3,730)	\$ (12,405)
Total Pension Liability - Beginning	331,202	328,345	319,564	328,772	317,238	361,849	349,629	345,899
Total Pension Liability - Ending	\$ 328,345	\$ 319,564	\$ 328,772	\$ 317,238	\$ 361,849	\$ 349,629	\$ 345,899	\$ 333,494
Plan Fiduciary Net Position								
Employer Contributions	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 4,140	\$ 11,311	\$ 11,311
Pension Plan Net Investment Income	24,758	6,357	16,253	42,320	573	36,827	31,368	38,253
Benefit Payments	(47,577)	(32,220)	(32,220)	(34,907)	(36,300)	(36,300)	(36,300)	(35,400)
Pension Plan Administrative Expense	(941)	(1,631)	(766)	(3,458)	(3,227)	(3,889)	(3,224)	(5,627)
Net Change in Fiduciary Net Position	\$ (23,760)	\$ (27,494)	\$ (16,733)	\$ 3,955	\$ (38,954)	\$ 778	\$ 3,155	\$ 8,537
Plan Fiduciary Net Position - Beginning	374,986	351,226	323,732	306,999	310,954	272,000	272,778	275,933
Plan Fiduciary Net Position - Ending	\$ 351,226	\$ 323,732	\$ 306,999	\$ 310,954	\$ 272,000	\$ 272,778	\$ 275,933	\$ 284,470
Net Pension Liability/(Asset) Ending	\$ (22,881)	\$ (4,168)	\$ 21,773	\$ 6,284	\$ 89,849	\$ 76,851	\$ 69,966	\$ 49,024
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	106.97 %	101.30 %	93.38 %	98.02 %	75.17 %	78.02 %	79.77 %	85.30 %
Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

See the independent auditor's report and notes to the required supplementary information.

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

Measurement period ending December 31,	2014	2015	2016	2017	2018	2019	2020	2021
Total Pension Liability								
Service Cost	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Interest on Total Pension Liability	323,296	317,279	321,975	316,762	311,152	305,634	254,807	247,687
Benefit Changes	—	—	—	—	—	—	—	—
Difference between Expected and Actual Experience	—	(151,064)	—	(2,929)	—	(353,791)	—	(132,085)
Assumption Changes	—	296,129	—	—	—	268,236	—	—
Benefit Payments	(404,573)	(402,436)	(396,933)	(385,824)	(391,541)	(377,681)	(371,496)	(356,974)
Net Change in Pension Liability	\$ (81,277)	\$ 59,908	\$ (74,958)	\$ (71,991)	\$ (80,389)	\$ (157,602)	\$ (116,689)	\$ (241,372)
Total Pension Liability - Beginning	4,509,247	4,427,970	4,487,878	4,412,920	4,340,929	4,260,540	4,102,938	3,986,249
Total Pension Liability - Ending	\$ 4,427,970	\$ 4,487,878	\$ 4,412,920	\$ 4,340,929	\$ 4,260,540	\$ 4,102,938	\$ 3,986,249	\$ 3,744,877
Plan Fiduciary Net Position								
Employer Contributions	\$ 201,921	\$ 201,921	\$ 201,921	\$ 214,110	\$ —	\$ 430,845	\$ 216,735	\$ 216,735
Employee Contributions	—	—	—	—	—	—	—	—
Pension Plan Net Investment Income	160,764	45,805	118,377	298,155	5,886	255,681	208,704	249,749
Benefit Payments	(404,573)	(402,436)	(396,933)	(385,824)	(391,541)	(377,681)	(371,496)	(356,974)
Pension Plan Administrative Expense	(6,875)	(3,687)	(5,643)	(2,568)	(5,157)	(3,070)	(4,457)	(3,089)
Net Change in Fiduciary Net Position	\$ (48,763)	\$ (158,397)	\$ (82,278)	\$ 123,873	\$ (390,812)	\$ 305,775	\$ 49,486	\$ 106,421
Plan Fiduciary Net Position - Beginning	2,500,186	2,451,423	2,293,026	2,210,748	2,334,621	1,943,809	2,249,584	2,299,070
Plan Fiduciary Net Position - Ending	\$ 2,451,423	\$ 2,293,026	\$ 2,210,748	\$ 2,334,621	\$ 1,943,809	\$ 2,249,584	\$ 2,299,070	\$ 2,405,491
Net Pension Liability/(Asset) Ending	\$ 1,976,547	\$ 2,194,852	\$ 2,202,172	\$ 2,006,308	\$ 2,316,731	\$ 1,853,354	\$ 1,687,179	\$ 1,339,386
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	55.36 %	51.09 %	50.10 %	53.78 %	45.62 %	54.83 %	57.68 %	64.23 %
Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

See the independent auditor's report and notes to the required supplementary information.

**Retiree Health Savings Plan
Schedule of Required Supplemental Information
Schedule of Changes in Net OPEB Liability and
Related Ratios Multiyear Last Ten Fiscal Years
(to be built prospectively)**

Measurement period ending December 31,	<u>2022</u>
Total OPEB Liability	
Service cost	\$ 2,262,960
Interest cost	400,035
Changes of benefit terms	—
Differences between expected and actual experience	—
Changes of assumptions or other inputs	(2,040,939)
Benefit Payments	<u>(1,398,985)</u>
Net Change in OPEB Liability	\$ (776,929)
Total OPEB Liability - Beginning	<u>17,855,709</u>
Total OPEB Liability - Ending	<u><u>\$ 17,078,780</u></u>
Covered Employee Payroll	\$ 82,142,530
Net OPEB Liability as a Percentage of Covered Employee Payroll	21%

Actuarial measurement date	December 31, 2022
Actuarial method	Entry Age Normal based on level of percentage of projected salary
Amortization method	Experience/Assumptions gains and losses are amortized over a closed period of 12.2 years starting the current fiscal year, equal to the average remaining service of active and inactive plan members (who have no future service).
Benefit increase rate	3% per annum. The rate is discretionary.
Termination	The rate of withdrawal is based on the withdrawal assumption used in the 2021 Fire and Police Pension Association Statewide Defined Benefit Plan Actuarial valuation. The rate of withdrawal for reasons other than death and retirement is dependent on an employee's age and years of service.
Retirement age	Sample retirement ages and associated probabilities are based on the 2021 Fire and Police Pension Association Statewide Defined Benefit Plan Actuarial Valuation. In order to account for the Plan's additional District contribution per the rule of 75, we have extended the over 25 YoS retirement age table through age 64.

See the independent auditor's report and notes to the required supplementary information.

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

Measurement period ending December 31,	2017	2018	2019	2020	2021
District's proportionate (percentage) of the collective net pension liability (asset)	0.871%	2.998%	2.781%	2.613%	2.414%
District's proportionate share of the collective pension liability (asset)	\$ 1,253,117	\$ 3,790,142	\$ (1,572,926)	\$ (5,673,024)	\$ (13,079,974)
Covered payroll	\$ 5,126,225	\$ 5,954,853 *	\$18,688,319	\$19,514,338	\$ 19,806,860
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	24.45%	63.65%	-8.42%	-29.07%	-66.04%
Plan fiduciary net position as a percentage of the total pension liability	106.34%	95.20%	101.90%	106.70%	116.20%

*Covered payroll does not include Littleton Fire Rescue employees as data is not available.

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

See the independent auditor's report and notes to the required supplementary information.

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

Measurement period ending December 31,	2018	2019	2020	2021
District's proportionate (percentage) of the collective net pension liability (asset)	6.858%	5.217%	4.654%	4.847%
District's proportionate share of the collective pension liability (asset)	\$ (946,680)	\$ (1,015,894)	\$ (1,279,952)	\$ (1,837,850)
Covered payroll	N/A *	\$ 807,926	\$ 790,383	\$ 820,057
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A *	-125.74%	-161.94%	-224.11%
Plan fiduciary net position as a percentage of the total pension liability	123.46%	130.06%	137.99%	149.01%

*Covered payroll is not available and is reflected under City of Littleton.

The amounts presented for each fiscal year were determined as of December 31 is based on the measurement date of the Plan. Information earlier than 2018 is available under City of Littleton and is not reflected here.

See the independent auditor's report and notes to the required supplementary information.

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

FY Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2022	\$ 94,767	\$ 94,767	\$ —	N/A	N/A
2021	45,550	45,550	—	N/A	N/A
2020	45,550	45,550	—	N/A	N/A
2019	30,619	30,619	—	N/A	N/A
2018	30,619	30,619	—	N/A	N/A
2017	28,670	28,670	—	N/A	N/A
2016	28,670	28,670	—	N/A	N/A
2015	27,895	27,596	299	N/A	N/A
2014	27,895	27,895	—	N/A	N/A
2013	24,628	27,895	(3,267)	N/A	N/A

Note: 2018 contribution of \$30,619 was made in January 2019.

See the independent auditor's report and notes to the required supplementary information.

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

FY Ending December 31,	Acturially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2022	\$ 48,233	\$ 48,233	\$ —	N/A	N/A
2021	11,311	11,311	—	N/A	N/A
2020	11,311	11,311	—	N/A	N/A
2019	2,070	2,070	—	N/A	N/A
2018	2,070	2,070	—	N/A	N/A
2017	—	—	—	N/A	N/A
2016	—	—	—	N/A	N/A
2015	—	—	—	N/A	N/A
2014	—	—	—	N/A	N/A
2013	—	—	—	N/A	N/A

See the independent auditor's report and notes to the required supplementary information.

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

FY Ending December 31,	Acturially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2022	\$ 216,735	\$ 216,735	\$ —	N/A	N/A
2021	216,735	216,735	—	N/A	N/A
2020	216,735	216,735	—	N/A	N/A
2019	216,735	216,735	—	N/A	N/A
2018	214,110	214,110	—	N/A	N/A
2017	214,110	214,110	—	N/A	N/A
2016	201,921	201,921	—	N/A	N/A
2015	201,921	201,921	—	N/A	N/A
2014	206,100	201,921	4,179	N/A	N/A
2013	206,100	206,100	—	N/A	N/A

See the independent auditor's report and notes to the required supplementary information.

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

FY Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2022	\$ 1,666,658	\$ 1,666,658	\$ —	\$ 18,526,902	9.00%
2021	1,655,277	1,655,277	—	19,806,860	8.36%
2020	1,679,084	1,679,084	—	19,514,338	8.60%
2019	1,611,495	1,611,495	—	18,688,319	8.62%
2018	458,903	458,903	—	5,954,853	7.71%

Notes:

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

	Actuarial Determined Contributions
Actuarial valuation date	January 1, 2021
Actuarial method	Entry Age Normal
Amortization method	Level % of Payroll, Open
Amortization period	30 years
Long-term investment rate of return*	7.00%
Projected salary increases*	4.25% - 11.25%
Cost of living adjustments (COLA)	0.00%
*Includes inflation at	2.50%

See the independent auditor's report and notes to the required supplementary information.

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

FY Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2022	\$ 62,306	\$ 59,850	\$ 2,456	\$ 623,520	9.99%
2021	82,057	82,057	—	820,057	10.01%
2020	79,038	79,038	—	790,383	10.00%
2019	80,793	80,793	—	807,926	10.00%

Notes:

*Information earlier than 2019 is available under City of Littleton and is not reflected here.

	Actuarial Determined Contributions
Actuarial valuation date	January 1, 2021
Actuarial method	Entry Age Normal
Amortization method	Level % of Payroll, Open
Amortization period	30 years
Long-term investment rate of return, net*	7.00%
Projected salary increases*	4.25% - 11.25%
Cost of living adjustments (COLA)	0.00%
*Includes inflation at	2.50%

See the independent auditor's report and notes to the required supplementary information.

**SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 DECEMBER 31, 2022**

NOTE 1 – BUDGETARY BASIS

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

NOTE 2 – SCHEDULE OF CONTRIBUTIONS

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

1. Parker Fire Protection District Volunteer Pension Fund

Valuation Date:	Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2021 determine the contribution amounts for 2022 and 2023. No changes in assumptions or benefit terms since the prior valuation.
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Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open
Remaining Amortization Period	18 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.5%
Salary Increases	N/A
Investment Rate of Return	7.00%
Retirement Age	50% Per Year of Eligibility Until 100% at Age 65.
Mortality	Pre-retirement: 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality.

**SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 DECEMBER 31, 2022
 (Continued)**

Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

Disabled: 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

2. South Metro Fire Rescue Volunteer Pension Fund

Valuation Date: Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2021, determines the contribution amounts for 2022 and 2023. No changes in assumptions or benefit terms since the prior valuation.

<p>Actuarial Cost Method</p> <p>Amortization Method</p> <p>Remaining Amortization Period</p> <p>Asset Valuation Method</p> <p>Inflation</p> <p>Salary Increases</p> <p>Investment Rate of Return</p> <p>Retirement Age</p> <p>Mortality</p>	<p>Entry Age Normal</p> <p>Level Dollar, Open</p> <p>20 Years</p> <p>5-Year Smoothed Fair Value</p> <p>2.5%</p> <p>N/A</p> <p>7.00%</p> <p>50% per year of eligibility until 100% at age 65</p> <p>Pre-retirement: 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality.</p> <p>Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.</p> <p>Disabled: 2006 central rates from the RP-2014</p>
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SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022
(Continued)

Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

3. Cherry Hills Old Hire Fire Pension Fund

Valuation Date:	Actuarially determined contribution rates are calculated as of January 1 of even numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2020, determines the contribution amounts for 2021 and 2022.
Actuarial Cost Method	Entry Age Normal
Amortization Method	N/A
Remaining Amortization Period	N/A
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	6.50%
Retirement Age	Any remaining actives are assumed to retire immediately.
Mortality	Post-Retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years. Disabled (pre-1980): Post-retirement rates set forward three years.

**SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GENERAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022	2021
REVENUE		
Property taxes	\$ 124,988,592	\$ 114,601,105
Specific ownership taxes	9,508,226	9,401,888
Charges for service - transports	12,769,267	11,691,509
Charges for service - plan review fees	2,450,898	1,822,037
Contracted services	-	318,362
Medicaid supplemental fee	6,951,772	6,191,645
Dispatch fees	121,721	116,726
Intergovernmental and other reimbursements	1,989,489	1,720,567
Investment income (loss)	(222,190)	(95,251)
Miscellaneous revenue	521,726	511,638
Total revenue	159,079,501	146,280,226
EXPENDITURES		
Public Safety		
Operations	103,360,737	98,725,921
Administration	37,018,066	33,439,979
Fire Marshal	5,486,597	5,326,911
Dispatch	3,930,886	3,164,907
Debt service lease payments - principal	449,044	-
Debt service lease payments - interest	5,291	-
Capital outlay	2,054,133	-
Total expenditures	152,304,754	140,657,718
Excess (deficiency) of revenue over expenditures	6,774,747	5,622,508
OTHER FINANCING SOURCES (USES)		
Transfers from other funds	-	2,132,598
Transfers to other funds	(15,000,000)	(16,364,817)
Lease proceeds	194,968	2,041,002
Sale of capital assets	1,695,905	589,411
Total other financing sources (uses)	(13,109,127)	(11,601,806)
Net change in fund balance	(6,334,380)	(5,979,298)
Fund balances - beginning of year	48,360,866	54,340,164
Fund balances - end of year	\$ 42,026,486	\$ 48,360,866

**SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
CHERRY HILLS PROPERTY TAX SPECIAL REVENUE FUND
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022	2021
REVENUE		
Property taxes	\$ 284,099	\$ 265,620
Specific ownership taxes	18,007	18,431
Investment income (loss)	18,116	718
Total revenue	320,222	284,769
EXPENDITURES		
Administration	4,270	3,989
Contribution to pension plan	216,735	216,735
Total expenditures	221,005	220,724
Excess (deficiency) of revenue over expenditures	99,217	64,045
Fund balances - beginning of year	753,516	689,471
Fund balances - end of year	\$ 852,733	\$ 753,516

**SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
CHERRY HILLS PROPERTY TAX – SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUE			
Property taxes	\$ 285,069	\$ 284,099	\$ (970)
Specific ownership taxes	19,955	18,007	(1,948)
Investment income (loss)	5,000	18,116	13,116
Total revenue	<u>310,024</u>	<u>320,222</u>	<u>10,198</u>
EXPENDITURES			
Administration	4,276	4,270	6
Contribution to pension plan	216,735	216,735	—
Operating	3,989	—	3,989
Total expenditures	<u>225,000</u>	<u>221,005</u>	<u>3,995</u>
Excess of revenue over expenditures	<u>85,024</u>	<u>99,217</u>	<u>14,193</u>
Fund balances - beginning of year	<u>755,417</u>	<u>753,516</u>	<u>(1,901)</u>
Fund balance - end of year	<u><u>\$ 840,441</u></u>	<u><u>\$ 852,733</u></u>	<u><u>\$ 12,292</u></u>

**SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUND
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022	2021
REVENUE		
Investment income (loss)	\$ 262,517	\$ —
Excise taxes	480,365	577,988
Total revenue	<u>742,882</u>	<u>577,988</u>
EXPENDITURES		
Equipment capital outlay	130,512	108,292
Vehicle capital outlay	4,392,862	1,668,346
Buildings and grounds capital outlay	4,489,220	2,700,118
Debt service lease payments - principal	103,261	—
Debt service lease payments - interest	15,595	—
Total expenditures	<u>9,131,450</u>	<u>4,476,756</u>
Excess (deficiency) of revenue over expenditures	<u>(8,388,568)</u>	<u>(3,898,768)</u>
OTHER FINANCING SOURCES (USES)		
Transfers from other funds	15,000,000	15,364,817
Lease proceeds	2,042,732	—
Total other financing sources (uses)	<u>17,042,732</u>	<u>15,364,817</u>
Net change in fund balance	8,654,164	11,466,049
Fund balances - beginning of year	<u>11,466,049</u>	<u>—</u>
Fund balances - end of year	<u>\$ 20,120,213</u>	<u>\$ 11,466,049</u>

**SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUE			
Investment income (loss)	\$ —	\$ 262,517	\$ 262,517
Excise taxes	480,000	480,365	365
Total revenue	480,000	742,882	262,882
EXPENDITURES			
Operations	106,311	106,312	(1)
Administration	13,486,324	2,370,479	11,115,845
Debt service lease payments - principal	—	103,261	(103,261)
Debt service lease payments - interest	—	15,595	(15,595)
Capital outlay	—	6,535,803	(6,535,803)
Total expenditures	13,592,635	9,131,450	4,461,185
Excess (deficiency) of revenue over expenditures	(13,112,635)	(8,388,568)	4,198,303
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	15,000,000	15,000,000	—
Lease proceeds	—	2,042,732	2,042,732
Sale of capital assets	1,635,000	—	(1,635,000)
Total other financing sources (uses)	16,635,000	17,042,732	407,732
Net change in fund balance	3,522,365	8,654,164	5,131,799
Fund balance - beginning of year	10,847,459	11,466,049	618,590
Fund balance - end of year	\$ 14,369,824	\$ 20,120,213	\$ 5,750,389

**SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUNDS AVAILABLE
BUDGET TO ACTUAL - BUDGETARY BASIS
BUILDING RENTAL FUND
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUE			
Lease rental income	\$ 757,138	\$ 756,015	\$ (1,123)
Lease interest income	—	9,304	9,304
Total revenue	<u>757,138</u>	<u>765,319</u>	<u>8,181</u>
EXPENDITURES			
Fleet, buildings and grounds maintenance	657,402	633,038	24,364
Capital outlay	69,875	51,606	18,269
Total expenditures	<u>727,277</u>	<u>684,644</u>	<u>42,633</u>
Excess (deficiency) revenue over expenditures	<u>29,861</u>	<u>80,675</u>	<u>50,814</u>
Funds available - beginning of year	<u>402,531</u>	<u>402,531</u>	<u>—</u>
Funds available - end of year	<u>\$ 432,392</u>	<u>\$ 483,206</u>	<u>\$ 50,814</u>
Reconciliation to GAAP basis			
Excess of revenue (under) expenditures		\$ 80,675	
Capital purchases		5,578	
Depreciation		(341,804)	
Net income - GAAP basis		<u>\$ (255,551)</u>	
Funds available at December 31, 2021 are computed as follows:			
Funds available - end of year		\$ 483,206	
Net investment in capital assets		<u>5,654,670</u>	
		<u>\$ 6,137,876</u>	

DESCRIPTION OF STATISTICAL SECTION CONTENTS

December 31, 2022

This part of the District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the government's overall financial health.

Contents:

Schedules:

Financial Trends:

These schedules contain trend information that may assist the reader in understanding how the District's financial performance has changed over time.

99-102

Revenue Capacity:

These schedules contain information that may assist the reader in assessing the viability of the District's largest revenue source, property taxes.

103-107

Debt Capacity:

These tables present information to help the reader assess the District's current level of overlapping debt and the ability to issue general obligation debt in the future.

108-110

Demographic and Economic Statistics:

These schedules offer demographic and economic indicators that may help the reader to understand the environment within which the District's financial activity takes place.

111-112

Operating Information:

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District's provides.

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**South Metro Fire Rescue Fire Protection District
Net Position by Component
Last Ten Fiscal Years**

	Fiscal Year									
	2013	2014 Restated	2015	2016	2017	2018 Restated	2019 Restated	2020	2021	2022
Governmental activities										
Net invested in capital and lease assets	\$37,980,429	\$35,572,670	\$40,310,492	\$ 45,859,677	\$49,544,941	\$ 63,425,921	\$ 75,411,948	\$ 76,995,272	\$ 75,283,384	\$ 74,406,518
Restricted	1,677,229	1,677,229	1,677,229	1,859,413	1,907,503	1,216,495	1,453,217	5,024,028	6,073,619	22,002,083
Unrestricted	45,390,957	46,813,523	41,729,011	33,889,278	31,389,743	31,821,955	53,509,303	52,421,108	58,224,837	29,002,889
Total governmental activities net position	\$85,048,615	\$84,063,422	\$83,716,732	\$ 81,608,368	\$82,842,187	\$ 96,464,371	\$ 130,374,468	\$ 134,440,408	\$ 139,581,840	\$125,411,490
Business-type activities										
Net invested in capital and lease assets	\$ 7,264,343	\$ 7,533,403	\$ 7,080,071	\$ 6,760,140	\$ 5,623,230	\$ 6,303,231	\$ 5,987,080	\$ 5,994,538	\$ 5,990,896	\$ 5,654,670
Unrestricted	3,491,121	4,317,329	5,323,063	6,722,583	2,673,249	2,273,623	2,433,901	2,413,718	402,427	483,206
Total business-type activities net position	\$10,755,464	\$11,850,732	\$12,403,134	\$ 13,482,723	\$ 8,296,479	\$ 8,576,854	\$ 8,420,981	\$ 8,408,256	\$ 6,393,323	\$ 6,137,876
Primary government										
Net invested in capital and lease assets	\$45,244,772	\$43,106,073	\$47,390,563	\$ 52,619,817	\$55,168,171	\$ 69,729,152	\$ 81,399,028	\$ 82,989,810	\$ 81,274,280	\$ 80,061,188
Restricted	1,677,229	1,677,229	1,677,229	1,859,413	1,907,503	1,216,495	1,453,217	5,024,028	6,476,046	22,002,083
Unrestricted	48,882,078	51,130,852	47,052,074	40,611,861	34,062,992	34,095,578	55,943,204	54,834,826	58,224,837	29,486,095
Total primary government net position	\$95,804,079	\$95,914,154	\$96,119,866	\$ 95,091,091	\$91,138,666	\$105,041,225	\$ 138,795,449	\$ 142,848,664	\$ 145,975,163	\$131,549,366

South Metro Fire Rescue Fire Protection District
Changes in Net Position
Last Ten Fiscal Years

Expenses	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities:		Restated				Restated	Restated			
Operations	\$ 38,306,121	\$ 42,244,360	\$ 37,210,868	\$ 38,237,300	\$ 47,931,085	\$ 66,461,430	\$ 90,702,140	\$ 104,286,977	\$ 101,426,388	\$ 123,401,598
Administration	12,416,779	13,902,184	20,249,118	24,680,189	19,019,862	22,518,212	34,162,182	28,148,043	33,421,508	44,255,426
Fire Marshal	3,080,050	3,383,915	2,430,675	2,699,413	2,862,739	3,182,917	4,842,321	5,143,336	5,328,172	5,513,590
Dispatch	-	-	-	-	-	-	-	3,159,531	3,307,622	3,944,869
Total governmental activities expenses	\$ 53,802,950	\$ 59,530,459	\$ 59,890,661	\$ 65,616,902	\$ 69,813,686	\$ 92,162,559	\$ 129,706,643	\$ 140,737,887	\$ 143,483,690	\$ 177,115,483
Business-type activities:										
Building rental	\$ 1,047,679	\$ 1,096,244	\$ 1,087,384	\$ 864,682	\$ 858,801	\$ 589,904	\$ 988,600	\$ 885,152	\$ 824,751	\$ 1,020,870
Ambulance transports	3,607,107	3,798,215	3,960,029	3,776,570	3,125,249	-	-	-	-	-
Total business-type activities expenses	\$ 4,654,786	\$ 4,894,459	\$ 5,047,413	\$ 4,641,252	\$ 3,984,050	\$ 589,904	\$ 988,600	\$ 885,152	\$ 824,751	\$ 1,020,870
Total primary government expenses	\$ 58,457,736	\$ 64,424,918	\$ 64,938,074	\$ 70,258,154	\$ 73,797,736	\$ 92,752,463	\$ 130,695,243	\$ 141,623,039	\$ 144,308,441	\$ 178,136,353
Program Revenues										
Governmental activities:										
Operations	\$ 947,793	\$ 723,404	\$ 647,132	\$ 544,856	\$ 848,205	\$ 7,264,272	\$ 12,906,023	\$ 11,923,577	\$ 9,722,230	\$ 12,938,471
Administration	815,825	763,593	807,828	863,869	781,274	496,510	1,069,662	827,285	964,843	2,445,088
Fire Marshal	1,159,437	1,334,826	1,477,511	1,701,879	1,803,896	1,680,971	2,587,981	1,867,387	1,822,037	2,450,898
Metcom/Technical service	-	-	-	213,426	440,511	1,221,460	198,511	-	-	-
Dispatch	-	-	-	-	-	-	-	115,770	116,726	121,721
Contracted services - City of Littleton	-	-	-	-	-	-	9,092,902	-	-	-
Total governmental activities program revenues	\$ 2,923,055	\$ 2,821,823	\$ 2,932,471	\$ 3,324,030	\$ 3,873,886	\$ 10,663,213	\$ 25,855,079	\$ 14,734,019	\$ 12,625,836	\$ 17,956,178
Business-type activities:										
Building rental	\$ 1,283,913	\$ 1,561,458	\$ 1,450,494	\$ 1,447,718	\$ 1,287,984	\$ 820,434	\$ 781,682	\$ 837,182	\$ 809,823	\$ 765,319
Ambulance transports*	4,075,906	4,034,584	4,034,916	4,210,217	4,575,987	-	-	-	-	-
Total governmental activities program revenues	\$ 5,359,819	\$ 5,596,042	\$ 5,485,410	\$ 5,657,935	\$ 5,863,971	\$ 820,434	\$ 781,682	\$ 837,182	\$ 809,823	\$ 765,319
Total primary government program revenues	\$ 8,282,874	\$ 8,417,865	\$ 8,417,881	\$ 8,981,965	\$ 9,737,857	\$ 11,483,647	\$ 26,636,761	\$ 15,571,201	\$ 13,435,659	\$ 18,721,497
Net (Expense)/Revenue										
Governmental activities	\$ (50,879,895)	\$ (56,708,636)	\$ (56,958,190)	\$ (62,292,872)	\$ (65,939,800)	\$ (81,499,346)	\$ (103,851,564)	\$ (126,003,868)	\$ (130,857,854)	\$ (159,159,305)
Business-type activities	705,033	701,583	437,997	1,016,683	1,879,921	230,530	(206,918)	(47,970)	(14,928)	(255,551)
Total primary government net expense	\$ (50,174,862)	\$ (56,007,053)	\$ (56,520,193)	\$ (61,276,189)	\$ (64,059,879)	\$ (81,268,816)	\$ (104,058,482)	\$ (126,051,838)	\$ (130,872,782)	\$ (159,414,856)
General Revenues										
Governmental activities:										
Property tax	\$ 51,005,289	\$ 51,354,176	\$ 51,684,596	\$ 53,737,956	\$ 54,069,865	\$ 71,775,702	\$ 97,206,003	\$ 113,457,721	\$ 114,866,725	\$ 125,272,691
Specific ownership tax	3,964,219	4,197,425	4,485,684	4,542,980	5,263,971	6,208,669	8,665,297	8,924,544	9,420,319	9,526,233
Excise taxes	-	-	-	-	-	-	-	347,056	577,988	480,365
Medicare/medicaid supplemental fee	-	-	-	-	-	-	-	5,076,521	6,191,645	6,951,772
Interest income (loss)	125,608	254,646	315,995	556,239	381,539	897,067	1,956,095	1,229,751	(93,890)	90,614
Gain (loss) on sale of assets	876,929	(821,111)	85,914	47,236	71,745	1,392,020	162,270	14,554	348,898	532,658
Intergovernmental and other reimbursement	-	-	-	-	-	-	-	-	-	1,822,409
Miscellaneous income	1,077,180	693,545	39,311	1,748,472	272,568	417,764	246,365	1,019,661	3,555,003	312,213
Transfers	-	(380,472)	-	-	7,164,540	-	-	-	1,132,598	-
Total governmental activities	\$ 57,049,225	\$ 55,298,209	\$ 56,611,500	\$ 60,632,883	\$ 67,224,228	\$ 80,691,222	\$ 108,236,030	\$ 130,069,808	\$ 135,999,286	\$ 144,988,955
Business-type activities:										
Miscellaneous income	\$ 163,481	\$ 12,435	\$ 113,212	\$ 55,257	\$ 4,528	\$ -	\$ -	\$ 1,150	\$ 99	\$ -
Investment earnings	-	778	1,193	7,649	93,847	49,845	51,045	34,095	-	-
Sale of assets	40,698	-	-	-	-	-	-	-	-	-
Transfers	-	380,472	-	-	(7,164,540)	-	-	-	(2,000,000)	-
Total business-type activities	\$ 204,179	\$ 393,685	\$ 114,405	\$ 62,906	\$ (7,066,165)	\$ 49,845	\$ 51,045	\$ 35,245	\$ (1,999,901)	\$ -
Total primary government	\$ 57,253,404	\$ 55,691,894	\$ 56,725,905	\$ 60,695,789	\$ 60,158,063	\$ 80,741,067	\$ 108,287,075	\$ 130,105,053	\$ 133,999,385	\$ 144,988,955
Change in Net Position										
Governmental activities	6,169,330	(1,410,427)	(346,690)	(1,659,989)	1,284,428	(808,124)	4,384,466	4,065,940	5,141,432	(14,170,350)
Business-type activities	909,212	1,095,268	552,402	1,079,589	(5,186,244)	280,375	(155,873)	(12,725)	(2,014,829)	(255,551)
Total primary government	\$ 7,078,542	\$ (315,159)	\$ 205,712	\$ (580,400)	\$ (3,901,816)	\$ (527,749)	\$ 4,228,593	\$ 4,053,215	\$ 3,126,603	\$ (14,425,901)

**South Metro Fire Rescue Fire Protection District
Fund Balances, Governmental Funds
Last Ten Fiscal Years**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund		Restated				Restated	Restated			
Non-spendable	\$ 207,902	\$ 289,979	\$ 248,845	\$ 1,421,568	\$ 2,996,772	\$ 2,825,564	\$ 3,273,634	\$ 3,813,422	\$ 3,768,136	\$ 4,185,744
Restricted	1,677,229	1,677,229	1,677,229	1,855,245	1,907,503	358,245	832,863	4,334,557	4,377,298	4,941,307
Committed	—	—	—	—	—	—	—	—	31,501,896	—
Assigned	—	—	—	—	—	—	—	—	132,598	—
Unassigned	29,781,644	32,725,239	34,078,639	33,265,913	34,738,963	33,822,836	47,181,196	46,192,185	8,580,938	32,899,435
Total general fund	<u>\$ 31,666,775</u>	<u>\$ 34,692,447</u>	<u>\$ 36,004,713</u>	<u>\$ 36,542,726</u>	<u>\$ 39,643,238</u>	<u>\$ 37,006,645</u>	<u>\$ 51,287,693</u>	<u>\$ 54,340,164</u>	<u>\$ 48,360,866</u>	<u>\$ 42,026,486</u>
All Other Governmental Funds										
Non-spendable	—	—	—	—	—	—	—	—	5,466,332	8,447,917
Restricted: Cherry Hills Property Tax Fund	—	425,234	443,110	448,375	498,984	558,250	620,354	689,471	753,516	852,733
Restricted: Excise tax revenue	—	—	—	—	—	—	—	—	942,805	1,423,170
Committed	—	—	—	—	—	—	—	—	5,056,912	10,249,126
Assigned, reported in:										
Capital project funds	18,982,476	18,986,209	12,434,339	5,351,715	30,165	—	—	—	—	—
Special revenue funds:										
Parker Fire Protection District Fund	149,958	149,958	149,945	—	—	—	—	—	—	—
SMFR Fund	149,949	149,949	150,006	—	—	150,000	—	—	—	—
CFPD Fund	—	—	—	—	—	150,000	—	—	—	—
Total all other governmental funds	<u>\$ 19,282,383</u>	<u>\$ 19,711,350</u>	<u>\$ 13,177,400</u>	<u>\$ 5,800,090</u>	<u>\$ 529,149</u>	<u>\$ 858,250</u>	<u>\$ 620,354</u>	<u>\$ 689,471</u>	<u>\$ 12,219,565</u>	<u>\$ 20,972,946</u>

South Metro Fire Rescue Fire Protection District Changes in Fund Balances, Governmental Funds Last Ten Fiscal Years

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Property taxes	\$ 51,005,289	\$ 51,354,176	\$ 51,684,596	\$ 53,737,957	\$ 54,069,865	\$ 71,775,702	\$ 97,206,003	\$ 113,457,721	\$ 114,866,725	\$ 125,272,691
Specific ownership taxes	3,964,220	4,197,425	4,485,684	4,542,980	5,263,971	6,208,669	8,665,297	8,924,544	9,420,319	9,526,233
Excise taxes	-	-	-	-	-	-	-	347,056	577,988	480,365
Net investment earnings	125,609	254,646	315,995	556,239	381,539	897,067	1,956,095	1,223,376	(94,533)	58,443
Charges for service - transports*	-	-	-	-	-	6,089,477	9,980,440	9,695,303	11,691,509	12,769,267
Charges for service - plan review fees**	-	-	-	-	-	1,637,111	2,535,506	1,808,045	1,822,037	2,450,898
Contracted services	-	-	-	-	-	-	9,092,902	312,120	318,362	-
Medicaid supplemental fee	-	-	-	-	-	-	2,345,340	5,543,184	6,191,645	6,951,772
Dispatch fees**	-	-	-	-	-	1,035,219	106,494	115,770	116,726	121,721
Intergovernmental and other reimbursements**	-	-	-	-	-	1,082,535	1,184,460	2,037,085	1,720,567	1,989,489
Lease rental income	198,708	247,862	203,673	217,357	155,553	151,091	173,195	180,249	209,527	209,514
Other	3,801,528	3,267,508	2,768,108	3,126,271	3,990,901	1,085,546	683,108	1,138,445	302,111	312,212
Total Revenues	59,095,354	59,321,617	59,458,056	62,180,804	63,861,829	89,962,417	133,928,840	144,782,898	147,142,983	160,142,605
Expenditures										
Public Safety										
Administration	10,294,860	11,801,328	17,954,589	21,497,558	22,069,455	27,541,683	33,425,842	31,675,249	31,338,790	39,609,550
Operations	38,044,547	40,218,314	37,132,243	38,150,318	41,677,165	60,006,147	85,370,644	93,884,423	99,043,648	103,467,049
Fire Marshal	3,072,077	3,369,134	2,484,518	2,698,514	2,889,075	3,164,295	4,736,858	5,076,746	5,326,911	5,486,597
Dispatch	-	-	-	-	-	-	-	3,095,996	3,164,907	3,930,886
Debt Service ***										
Principal	86,305	46,093	-	-	-	-	-	-	-	552,305
Interest	5,344	1,885	-	-	-	-	-	-	-	20,886
Capital outlay	1,733,403	4,179,098	7,273,541	7,764,767	5,576,244	9,539,066	3,101,567	8,062,884	6,480,942	8,589,936
Total expenditures	53,236,536	59,615,852	64,844,891	70,111,157	72,211,939	100,251,191	126,634,911	141,795,298	145,355,198	161,657,209
Excess of revenue over (under) expenditures	\$5,941,573	\$3,409,877	\$(5,221,983)	\$(7,930,353)	\$(8,350,110)	\$(10,288,774)	\$7,293,929	\$2,987,600	\$1,787,785	\$(1,514,604)
Other Financing Sources (Uses)										
Lease proceeds	-	-	-	-	-	-	-	-	2,041,002	2,237,700
Sale of capital assets	82,755	3,704,112	164,852	47,236	71,745	1,392,020	162,270	133,988	589,411	1,695,905
Transfer from other funds	54,228,710	58,286,717	55,182,986	1,445,577	6,107,936	88,794,752	106,889,940	15,000,000	17,497,415	15,000,000
Transfer (to) other funds	(54,228,710)	(58,667,189)	(55,182,986)	(401,757)	-	(88,794,752)	(106,889,940)	(15,000,000)	(16,364,817)	(15,000,000)
Total other financing sources (uses)	82,755	3,323,640	164,852	1,091,056	6,179,681	1,392,020	162,270	133,988	3,763,011	3,933,605
Net change in fund balances	\$5,941,573	\$3,029,405	\$(5,221,983)	\$(6,839,297)	\$(2,170,429)	\$(8,896,754)	\$7,456,199	\$3,121,588	\$5,550,796	\$2,419,001
Debt service as a percentage of noncapital expenditures	0.2 %	0.1 %	—%	—%	—%	—%	—%	—%	—%	—%

South Metro Fire Rescue Fire Protection District
Tax Revenues by Source, Governmental Funds Last Ten Fiscal Years

Fiscal Year	Property Tax	Specific Ownership Tax	Total
2013	51,005,289	3,964,219	54,969,508
2014	51,354,176	4,197,425	55,551,601
2015	51,684,596	4,485,684	56,170,280
2016	53,737,957	4,542,980	58,280,937
2017	54,069,865	5,263,971	59,333,836
2018	71,775,702	6,208,669	77,984,371
2019	97,206,003	8,665,297	105,871,300
2020	113,457,721	8,924,544	122,382,265
2021	114,866,725	9,420,319	124,287,044
2022	125,272,691	9,526,233	134,798,924

Source: Finance Department

**South Metro Fire Rescue Fire Protection District
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years**

Fiscal Year	Real Assessed Value	Personal Assessed Value	Real Actual Value	Personal Actual Value	SMFR Mill Levy	Ratio of Total Assessed to Total Estimate Actual Value	Residential Property Assessment Ratio
2013	4,367,442,344	377,636,430	35,498,753,463	1,302,186,194	9.25	12.89 %	7.96 %
2014	4,492,201,404	432,556,019	35,928,957,116	1,491,624,062	9.25	13.16 %	7.96 %
2015*	4,850,713,475	544,797,418	40,930,196,129	1,886,348,738	9.25	12.60 %	7.96 %
2016	5,663,707,647	585,259,348	48,575,497,159	2,033,871,376	9.25	12.35 %	7.96 %
2017	5,719,186,598	609,450,211	49,293,495,859	2,101,534,429	9.25	12.31 %	7.96 %
2018**	6,959,830,755	609,646,295	64,769,394,048	2,102,342,901	9.25	11.32 %	7.20 %
2019***	9,833,539,324	791,205,973	97,289,094,814	2,727,335,684	9.25	10.62 %	7.20 %
2020	12,050,269,207	896,312,573	120,934,573,594	3,091,455,902	9.25	10.44 %	7.15 %
2021	12,174,310,839	899,099,709	122,665,417,907	3,100,635,856	9.25	10.40 %	7.15 %
2022	13,273,841,117	877,088,648	132,820,283,126	3,026,518,643	9.25	10.42 %	7.15 %

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

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

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

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

***2019 and beyond includes Littleton Fire Rescue Assessed and Actual values.

Source: Arapahoe, Douglas and Jefferson County Assessors

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

<u>Government</u>	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
South Metro Fire Rescue	9.2500	9.250	9.250	9.250	9.250	9.250	9.250	9.250	9.250	9.319
Cunningham Fire Protection District	—	—	—	—	—	14.603	14.600	9.250	—	—
Parker Fire Protection District	13.978	12.978	12.978	—	—	—	—	—	—	—
<u>Cities and Towns</u>										
City of Castle Pines	4.500	4.500	4.500	4.500	4.500	4.500	4.500	4.500	4.500	4.500
City of Centennial	5.073	5.015	5.030	5.026	2.087	5.003	5.002	5.033	5.033	5.013
City of Greenwood Village	2.932	2.932	2.932	2.932	2.932	2.932	2.932	2.932	2.932	2.932
City of Lakewood							4.711	4.711	4.711	4.711
City of Littleton							6.662	2.000	2.000	2.000
City of Lone Tree	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Town of Foxfield	20.400	20.400	20.400	20.400	20.400	4.982	4.982	4.982	4.982	4.982
Town of Parker	2.602	2.602	2.602	2.602	2.602	2.602	2.602	2.602	2.602	2.602
<u>Counties</u>										
Arapahoe County	17.130	16.950	14.856	14.039	14.039	13.301	11.685	11.685	12.013	11.762
Douglas County	19.774	19.774	19.774	18.774	24.274	24.274	24.274	24.274	24.274	23.024
Jefferson County	25.978	25.978	25.978	26.978	26.978	26.978	24.274	22.332	23.578	26.241
<u>School Districts</u>										
Cherry Creek School District #5	57.492	56.702	49.703	53.232	49.687	49.995	46.997	49.724	49.012	49.012
Douglas County School District	48.277	48.277	42.439	42.439	41.064	44.950	43.840	43.504	43.504	43.797
Littleton Public School	56.985	56.601	53.424	53.030	53.030	51.166	56.945	64.740	64.744	64.936
Jefferson County R-1 School District	50.620	50.370	50.170	47.490	45.940	42.878	49.410	47.070	48.105	45.520
<u>Other Local Governments</u>	792.205	745.807	686.991	646.746	636.321	663.375	611.781	580.611	526.838	780.400

Source: Various Entities and Arapahoe, Douglas, and Jefferson County Assessors Offices.

**South Metro Fire Rescue Fire Protection District
Principal Property Tax Payers
Current Year and 10 Years Ago**

Taxpayer	2022			2013		
	Assessed Value	Rank	Per Cent of Total	Assessed Value	Rank	Per Cent of Total
Park Meadows Mall LLC	102,606,450	1	0.73%			
HCA Healthone LLC	87,160,000	2	0.62%			
Catholic Health Initiatives	71,755,450	3	0.51%			
Martin Marietta Corporation	67,498,350	4	0.48%			
Granite Place LLC	37,578,780	5	0.27%			
6340 Fiddlers Green Circle LP	33,938,410	6	0.24%	33,350,000	2	0.97%
Greenwood Property Corp	33,495,000	7	0.24%			
CS Lone Tree LLC	33,322,570	8	0.24%			
Prime Us-Village Center Station II LLC	33,264,160	9	0.24%			
Kaiser Foundation Hospitals	28,764,420	10	0.21%			
Verizon Wireless				52,084,540	1	1.51%
Qwest Corp				25,333,800	3	0.74%
GPI Plaza Tower LP				23,925,000	4	0.70%
Public Service of Colorado				20,663,080	5	0.60%
Peakview Tower				14,210,000	6	0.41%
Palazzo Verdi LLC				13,920,000	7	0.40%
CREF Tuscany Plaza LLC				13,630,001	8	0.40%
Village Center Station I				12,470,001	9	0.36%
5251 DTC Parkway LLC				12,180,000	10	0.35%
	\$ 529,383,590		3.79 %	\$ 221,766,422		6.44 %

Source: Douglas, Arapahoe, and Jefferson County Assessors' Offices

**South Metro Fire Rescue Fire Protection District
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year	Total Tax Levy	Current Tax Collections	% of Current Taxes Collected	Delinquent Tax Collection	Total Tax Collections	Ratio of Total Tax to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
2013	51,790,046	51,289,058	99.03 %	(283,769)	51,005,289	98.48 %	32,664	0.063 %
2014	51,865,957	51,584,734	99.46 %	(230,558)	51,354,176	99.01 %	91,320	0.176 %
2015	51,944,348	51,898,770	99.91 %	(214,174)	51,684,596	99.50 %	125,705	0.242 %
2016	54,129,916	53,737,957	99.28 %	(13,654)	53,724,302	99.25 %	31,830	0.059 %
2017	54,235,662	54,128,981	99.80 %	(59,116)	54,069,865	99.69 %	335,944	0.619 %
2018	72,172,841	71,765,691	99.44 %	10,011	71,775,702	99.45 %	275,428	0.382 %
2019	97,531,612	97,206,003	99.67 %	(138,940)	97,067,063	99.52 %	657,420	0.674 %
2020	114,041,893	113,457,721	99.49 %	(121,646)	113,336,075	99.38 %	677,768	0.594 %
2021	115,446,511	114,866,725	99.50 %	(129,244)	114,737,481	99.39 %	944,418	0.818 %
2022	126,008,116	125,272,691	99.42 %	39,830	125,312,521	99.45 %	521,274	0.414 %

Source: Finance Department

Note: Net of tax credits and abatements.

South Metro Fire Rescue Fire Protection District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business Type Certificates of Participation	Total Primary Government	Per Capita
	General Obligation Bonds	Capital Leases	Certificates of Participation			
2013	\$ —	\$ 46,093	\$ —	\$ —	\$ 46,093	\$ 0.23
2014	—	—	—	—	—	—
2015	—	—	—	—	—	—
2016	—	—	—	—	—	—
2017	—	—	—	—	—	—
2018	—	—	—	—	—	—
2019	—	—	—	—	—	—
2020	—	—	—	—	—	—
2021	—	—	—	—	—	—
2022	—	—	—	—	—	—

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

Source: Finance Department

**South Metro Fire Rescue Fire Protection District
Direct and Overlapping Governmental Activities Debt
As of December 31, 2022**

	Net Debt Outstanding	Percentage Applicable to District*	Amount Applicable to District
DIRECT:			
South Metro Fire Rescue	\$ —	100 %	\$ —
OVERLAPPING:			
Jefferson County	46,869,014	25 %	11,717,254
Cherry Creek School District #5	607,430,000	85 %	516,315,500
Douglas County School District	332,620,000	50 %	166,310,000
Jefferson County R-1 School District	776,191,384	25 %	194,047,846
Littleton School District	382,571,195	5 %	19,128,560
City of Lakewood	14,495,059	50 %	7,247,530
City of Littleton	10,087,858	50 %	5,043,929
City of Lone Tree	2,878,133	50 %	1,439,067
Other Local Governments	654,614,140	76 %	496,671,940
Total Overlapping Debt	<u>\$ 2,827,756,783</u>		<u>\$ 1,417,921,624</u>
Total Direct & Overlapping Debt			<u>\$ 1,417,921,624</u>

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

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

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

**South Metro Fire Rescue Fire Protection District
Legal Debt Margin Information
Last Ten Fiscal Years**

	Fiscal Year				
	2013	2014	2015	2016	2017
Total Assessed Value	\$ 4,723,283,371	\$ 4,920,392,972	\$ 4,971,618,704	\$ 5,760,702,401	\$ 5,837,254,988
Debt Limit - 50% of total assessed value (1)	2,361,641,686	2,460,196,486	2,485,809,352	2,880,351,201	2,918,627,494
Amount of debt applicable to debt limit	-	-	-	-	-
Less amount available for debt service	-	-	-	-	-
Net amount of debt applicable to debt limit	-	-	-	-	-
Legal debt margin	<u>\$ 2,361,641,686</u>	<u>\$ 2,460,196,486</u>	<u>\$ 2,485,809,352</u>	<u>\$ 2,880,351,201</u>	<u>\$ 2,918,627,494</u>
	2018	2019	2020	2021	2022
Total Assessed Value	\$ 7,823,668,573	\$ 12,387,082,905	\$ 12,986,634,357	\$ 14,061,183,368	\$ 13,979,077,519
Debt Limit - 50% of total assessed value (1)	3,911,834,287	6,193,541,453	6,493,317,179	7,030,591,684	6,989,538,760
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>\$ 3,911,834,287</u>	<u>\$ 6,193,541,453</u>	<u>\$ 6,493,317,179</u>	<u>\$ 7,030,591,684</u>	<u>\$ 6,989,538,760</u>

Source: Douglas, Arapahoe, and Jefferson County Assessors' Offices and South Metro Fire Rescue Fire Protection District Finance Department.

(1) Colorado Revised Statutes.

**South Metro Fire Rescue Fire Protection District
Demographic and Economic Statistics
Last Ten Fiscal Years (Douglas County)**

Fiscal Year	Population	Per Capita Income (1)	Median Age	Education Level (2)	School Enrollment (3)	Unemployment Rate
2013	306,232	\$ 62,493	36.6	54.6 %	66,000	5.20 %
2014	314,574	\$ 66,088	36.5	55.8 %	67,000	4.00 %
2015	321,964	\$ 67,576	38.5	61.0 %	66,702	3.00 %
2016	328,088	\$ 68,560	36.6	61.0 %	67,000	2.50 %
2017	335,668	\$ 71,208	36.0	57.5 %	68,000	2.20 %
2018	342,776	\$ 73,662	38.9	58.0 %	68,880	2.60 %
2019	362,954	\$ 78,455	39.8	58.4 %	67,591	2.30 %
2020	357,978	\$ 78,980	40.1	58.6 %	67,305	5.30 %
2021	368,990	\$ 87,841	40.4	59.2 %	62,979	4.10 %
2022	375,988	N/A	40.5	N/A	63,876	2.50 %

- (1) Douglas County Census, not seasonally adjusted. Current year data is not yet available.
(2) Percentage of population that has attained a Bachelor’s Degree or higher.
(3) Douglas County School District

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

**South Metro Fire Rescue Fire Protection District
Demographic and Economic Statistics
Last Ten Fiscal Years (Arapahoe County)**

Fiscal Year	Population	Per Capita Income (1)	Median Age	Education Level (2)	School Enrollment (3)	Unemployment Rate
2013	608,209	\$ 49,731	36.0	38.5 %	52,681	7.40 %
2014	618,798	\$ 53,297	35.0	38.8 %	54,226	4.10 %
2015	630,637	\$ 54,476	36.7	39.0 %	54,449	3.20 %
2016	638,571	\$ 55,116	36.1	39.0 %	54,695	2.60 %
2017	644,132	\$ 56,642	35.0	40.7 %	54,178	2.80 %
2018	651,215	\$ 60,180	37.1	41.6 %	54,852	3.80 %
2019	653,143	\$ 64,477	37.4	42.8 %	55,839	2.30 %
2020	655,070	\$ 66,691	37.8	43.4 %	56,228	7.20 %
2021	654,900	\$ 74,267	38.3	44.5 %	53,558	5.80 %
2022	655,808	N/A	38.0	N/A	N/A	3.10 %

- (1) Arapahoe County Census, not seasonally adjusted. Current year data is not yet available.
(2) Percentage of population that has attained a Bachelor’s Degree or higher.
(3) Cherry Creek School District

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

**South Metro Fire Rescue Fire Protection District
Principal Employers
December 31, 2022**

	2022		2013	
	Employees	Rank	Employees	Rank
Lockheed Martin Corporation	7,540	1		
Comcast	5,590	2		
Charles Schwab	4,470	3		
HealthONE	3,970	4		
Charter Communications	3,800	5		
Centura Health: Corporate Headquarters & Littleton Adventist Hospital	2,810	6		
UnitedHealthcare	2,770	7		
Ball Corporation	2,740	8		
Empower Retirement	2,680	9		
Raytheon Company	2,510	10		
Catholic Health Initiatives			8,000	1
Dish Network Corporation			6,500	2
Western Union Fincl Svcs Inc			3,200	3
CH2M Hill			805	4
Blockbuster LLC			750	5
Best Western Plus Hotel			728	6
Starz Entertainment			400	7
Developmental Pathways			275	8
Stolle Machinery Company LLC			150	9
HBC Solutions			146	10
	38,880		20,954	

Source: Metro Denver Economic Development Corporation (Arapahoe, Douglas, and Jefferson Counties)

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

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

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Field Operations	284.00	288.00	279.00	302.00	332.00	401.00	608.00	641.00	596.00	612.00
Administration	20.00	20.00	32.00	34.00	35.00	71.00	77.00	80.00	78.00	91.00
Fire Marshal	24.00	17.00	19.00	23.00	28.00	34.00	28.00	30.00	34.00	34.00
Fleet Services	11.00	11.00	10.00	10.00	12.00	14.00	13.00	15.00	13.00	15.00
Ambulance *	20.00	19.00	19.00	22.00	-	-	-	-	-	-
Total FTE	359.00	355.00	359.00	390.75	407.00	520.00	726.00	766.00	721.00	752.00

Source: South Metro Fire Rescue Fire Protection District Finance Department

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

**South Metro Fire Rescue Fire Protection District
Operating Indicators by Function/Program
Last Ten Fiscal Years**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Field Operations (in & out of district)										
Fire Calls	381	312	382	443	458	587	713	1,032	793	846
Emergency Medical Calls	10,457	11,322	11,458	11,552	12,139	16,375	27,810	26,620	30,299	32,658
Alarms	2,452	2,451	2,325	2,187	2,179	2,837	4,355	4,039	4,380	4,785
Others	4,514	1,873	1,766	1,751	1,442	2,324	3,079	2,915	3,162	3,509
Number of hours of firefighter training	58,910	56,914	65,664	80,035	52,472	51,545	104,236	115,378	109,276	135,692
Hours of officer trainings	8,954	7,443	7,222	5,770	3,761	2,403	16,593	20,614	17,699	14,430
Hours of driver/operator trainings	2,540	681	4,416	3,698	2,035	3,698	11,834	13,464	18,932	18,658
Support Services										
Square footage of building maintained	349,091	320,084	320,084	320,084	320,084	387,846	452,385	460,805	460,805	460,805
Life Safety Bureau & Preparedness										
Fire Investigations	281	301	286	330	310	474	600	185	129	719
Plan Reviews	4,400	4,872	4,877	3,517	4,189	5,879	6,215	5,050	5,709	7,053
Construction Inspections	5,703	7,038	6,772	3,799	5,568	6,502	6,183	5,662	5,994	7,077
Business Inspections	4,218	3,932	2,916	-	3,158	4,308	4,324	5,372	6,032	11,295
South Metro Safety Foundation Classes	101	92	91	122	163	165	287	84	143	174
Car seat checks	502	386	269	366	326	309	432	422	498	436
Apparatus/Crew resident attended	-	26,270	-	-	-	-	-	-	-	-
Prevention staff community/school students	13,256	30,857	-	-	9,847	37,748	44,641	12,116	38,841	24,857
Youth firesetter intervention	8	21	16	-	46	21	22	1	18	13
Fleet Services										
Total number of warranty repairs	68	37	62	28	13	44	12	25	23	3
Total billable shop labor hours	9,698	9,575	8,574	8,843	9,865	9,939	11,185	8,546	10,375	15,274
Shop productivity rate	75.0 %	74.0 %	71.4 %	83.5 %	85.5 %	84.6 %	90.2 %	98.0 %	70.0 %	76.7 %
Total number of repairs	2,984	2,854	2,501	2,911	3,198	3,153	3,868	4,252	6,378	3,920
Ambulance										
EMS Transports (in district only)	7,089	7,347	7,430	6,226	7,350	9,748	18,590	17,792	20,467	22,266
% of Transports to Castle Rock Adventist	-	-	-	-	-	1.16 %	0.57 %	0.53 %	0.85 %	1.53 %
% of Transports to Centennial Health	-	-	-	-	-	0.78 %	0.77 %	0.83 %	2.06 %	2.91 %
% of Transports to Childrens Hospital	-	-	-	-	-	1.06 %	1.91 %	1.56 %	2.25 %	2.39 %
% of Transports to Littleton Hospital	15.93 %	13.03 %	10.42 %	5.00 %	5.05 %	2.42 %	30.48 %	27.87 %	25.50 %	23.89 %
% of Transports to Medical Center of Aurora	-	-	-	-	-	11.27 %	5.96 %	5.45 %	5.20 %	4.99 %
% of Transports to Parker Adventist Hospital	27.78 %	27.85 %	30.86 %	34.00 %	36.65 %	33.78 %	17.86 %	18.96 %	16.69 %	16.68 %
% of Transports to Porter Adventist Hospital	1.58 %	1.18 %	1.20 %	1.00 %	1.05 %	0.97 %	0.59 %	0.62 %	0.62 %	0.62 %
% of Transports to Rose Medical Center	-	-	-	-	-	0.41 %	0.32 %	0.26 %	0.36 %	0.30 %
% of Transports to Skyridge Medical Center	41.02 %	43.42 %	43.42 %	47.00 %	52.73 %	40.88 %	29.37 %	27.79 %	26.70 %	24.94 %
% of Transports to Southlands Medical	-	-	-	-	-	1.14 %	0.65 %	0.70 %	0.81 %	0.67 %
% of Transport to Swedish Medical Center	10.07 %	9.21 %	7.50 %	7.00 %	5.81 %	3.81 %	6.79 %	6.27 %	6.34 %	5.97 %
% of Transport to UC Health	-	-	-	-	-	-	4.21 %	8.69 %	11.96 %	14.27 %
% of Transports to University Hospital	-	-	-	-	-	1.42 %	0.21 %	0.09 %	0.16 %	0.08 %
% of Transports to All Others	-	-	-	-	-	0.90 %	0.32 %	0.38 %	0.51 %	0.75 %
Collection Rate	53.94 %	54.14 %	55.73 %	52.71 %	51.99 %	72.00 %	76.00 %	72.00 %	71.00 %	71.00 %

Source: South Metro Fire Rescue Fire Protection District various departments

**South Metro Fire Rescue Fire Protection District
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Field Operations										
Fire Stations	17	17	17	17	17	20	29	30	30	30
Communication towers	4	4	4	4	4	4	4	4	4	4
Training facility	1	1	1	1	1	1	1	1	1	1
Driving facility	1	1	1	1	1	1	1	1	1	1
Engines	19	19	19	18	23	33	32	32	30	34
Tenders	6	6	6	6	6	8	6	6	6	6
Quints	2	1	1	1	-	-	-	-	-	-
Squirts	-	-	-	-	-	2	-	-	-	-
Aerials	6	5	5	7	7	9	9	9	9	9
ARFF vehicles	2	2	2	3	3	3	3	3	3	3
Chief/Staff vehicles	15	15	15	15	16	20	18	17	9	12
BC Vehicles	6	6	6	9	8	14	13	13	12	16
Wildland vehicles	12	12	12	18	19	23	23	20	20	20
Hazmat vehicles	2	2	2	2	2	3	3	3	1	2
Utility vehicle	1	1	1	1	1	1	-	-	2	5
Snow Cat	1	1	1	1	1	1	1	1	1	-
Dive Unit	1	1	1	1	1	2	2	2	2	2
Watercraft	1	1	1	1	1	1	1	1	1	1
Heavy Rescue	2	1	1	3	2	7	4	4	4	4
Tow Vehicles	2	2	2	2	2	2	1	1	1	1
Command vehicle	1	1	1	1	1	1	1	-	-	-
Plow/Ladder testing truck	1	1	1	1	1	4	2	6	5	4
Trailers	5	15	15	15	20	27	28	27	27	24
Support Services										
Headquarters buildings	2	1	1	1	1	1	1	1	1	1
Pool vehicles	-	1	1	1	1	1	-	3	3	3
Chief/Staff vehicles	5	5	5	5	20	22	39	40	40	35
Storage locations	2	1	1	1	2	2	2	2	2	3
Fire Marshal										
Pool vehicles	4	2	2	2	1	1	3	3	3	3
Assigned vehicles	21	22	22	22	22	25	25	27	24	24
Fleet Services										
Repair shop	1	1	1	1	1	1	1	1	1	1
Repair vehicles	2	2	2	2	3	2	2	2	2	2
Parts vehicles	3	3	3	3	1	1	1	0	0	0
Pool vehicles	11	7	7	7	5	2	2	2	0	0
IMT Vehicle	1	1	1	1	1	3	0	0	0	0
Lift	2	2	2	2	1	9	13	13	12	12
Overhead crane	1	1	1	1	1	1	1	1	1	1
Ambulance										
Medic units	17	17	17	18	22	27	25	28	25	20
ARM vehicle	1	1	1	1	1	1	1	2	2	2

Source: South Metro Fire Rescue Fire Protection District various departments

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

Board of Directors
South Metro Fire Rescue Fire Protection District
Centennial, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of South Metro Fire Rescue Fire Protection District (the District), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 28, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as item 2022-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as item 2022-002 to be a significant deficiency.

Board of Directors
South Metro Fire Rescue Fire Protection District

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

South Metro Fire Authority's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

FORVIS,LLP

Denver, Colorado
June 28, 2023

South Metro Fire Rescue Fire Protection District
Schedule of Findings and Responses
Year Ended December 31, 2022

2022-001 Other Postemployment Benefits (OPEB) – Retiree Health Saving Plan

Criteria or Specific Requirement: In accordance with Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions* (GASB 75), state and local governments are required to record an actuarially determined net other postemployment benefit (OPEB) liability on the face of the financial statements and make certain disclosures and include specific required supplemental information in the annual comprehensive financial report. In order to properly value and measure the liability, participant populations must be complete and accurate and contain required information pertaining to the participant date of birth, hire date, termination/retirement date and other such data (referred to as the census data).

Condition: The District did not record any OPEB liability or related deferrals related to the Retiree Health Saving Plan.

Cause: Effective January 1, 2022, the District modified the Retiree Health Saving Plan to provide minimum balances upon separation from service for eligible employees. The changes made to the Retiree Health Saving Plan, resulted in the plan now qualifying as an OPEB plan in accordance with GASB Statement No. 75. The District was unaware that the Retiree Health Saving Plan qualified as an OPEB and thus did not obtain an actuarial valuation.

Effect: An actuarially determined net OPEB liability of \$17,100,000 and related deferrals of \$1,900,000 were recorded as of December 31, 2022.

Recommendation: We recommend that the District review any changes in benefits that effect postemployment to determine if they qualify as an OPEB and require actuarial valuation.

Views of Responsible Officials and Planned Corrective Actions: Management of the District let FORVIS know about the new RHS benefit during the audit fieldwork. At that point, FORVIS recommended engaging an actuary to be able to record OPEB liability and management did just that. Going forward, the finance department will consider financial statements implications during benefit negotiations with the local union to have a complete understanding of the impact on the financial statements and to allow time to obtain needed reports as needed.

South Metro Fire Rescue Fire Protection District
Schedule of Findings and Responses
Year Ended December 31, 2022

2022-002 **Compensated Absences**

Criteria or Specific Requirement: Management is responsible for establishing and maintaining effective internal controls over financial reporting. Effective internal controls are an important component of a system that helps ensure transactions are recorded timely and in the proper reporting period, thereby providing accurate financial data. Specifically, the District should have controls in place to ensure that the compensated absences liability is calculated and recorded correctly. Accounting principles generally accepted in the United States of America (US GAAP) that address the proper recognition and accounting of compensated absences is GASB Statement No. 16, *Accounting for Compensated Absences*.

Condition: The sick leave buyout was not calculated correctly for those individuals with more than 25 years of service. An audit adjustment of \$832,645 was proposed and management elected to pass on recording. Additionally, the District's sick leave buyout internal policy did not agree to the Union Agreement effective January 1, 2022, for individuals with 10, 15 or 20 years of service. An audit adjustment of \$317,482 was proposed and management elected to pass on recording.

Cause: Established internal controls were not effective in preventing or detecting and correcting errors in the recording and recognition of compensated absences.

Effect: Audit adjustments of \$1,150,127 were proposed and management elected to pass on recording.

Recommendation: We recommend that the District perform additional procedures at year-end to ensure that compensated absences, specifically sick leave buy-out are calculated correctly and in accordance with District policy. In addition, we recommend the District align its internal policy with the Union Agreement to help ensure accruals and buy-outs are calculated consistently and correctly.

Views of Responsible Officials and Planned Corrective Actions: Finance will implement compensated absences review to ensure the calculation complies with the buyout policy. In future union agreement updates, Finance and Human Resources will ensure that internal policies are reflected correctly within the working Union Agreement. To clarify, the actual sick leave buyouts for 2022 were calculated correctly per the updated policy and reviewed by the Chief Financial Officer prior to payment, so it was only the compensated absence calculation for the service years 25+ that was miscalculated.



South Metro Fire Rescue

Monthly Financial Reports

For the Month Ending
May 31, 2023

May 2023 Financial Update

Executive Summary



1. Fund balance increased by approximately \$2.5 million compared to April bringing fund balance to a total of \$95.4 million.
2. Through May, the District has collected \$89.2 million in property and \$4.2 million in specific ownership tax revenue, which reflects 71.61% collection vs. 71.47% last year for property taxes, and 43.18% vs. 37.21% for specific ownership taxes.
3. Through May, the District has expended \$65.6 million in the General Fund related to operations or 40.16% of the annual budget.
4. Ambulance transports have exceeded 2023 budget expectations by 406 transports, for total number of transports of 9,977 through May. The District's net revenue is \$864K over the year-to-date budgeted amount and \$1.4 million more than the same period last year, though a large portion of this rise is due to increase in base fees. Total bad debt has increased in 2023 as compared to 2022. Through May this year, bad debt as a % of net revenue is at 23% as compared to 22.3% in 2022. Collections received as % of bad debt is at 6.6% through May this year as compared to 9.6% in 2022.
5. Through May, the District has billed approximately \$1 million in Plan Review Fees or 44.3% of the total budgeted amount.
6. Through May, the District has expended \$7.3 million or 41.89% of our total budgeted expenditures in the Capital Projects Fund. The detailed schedule of expenditures is included on page 11.
7. Included at the end of the financial reports:
 - a. Schedule of taxes collected by month.
 - b. Schedule of capital outlay expenditures.
 - c. Schedule of Prepaid Capital Project Expenditures.

South Metro Fire Rescue
Balance Sheet
May 31, 2023



	General	Capital Projects	Building Rental	Self Insured Medical	Total	Prior Month Totals	Variance from Prior Month
Assets							
Checking	\$ 3,034,417	\$ -	\$ 478,302	\$ 153,029	\$ 3,665,748	\$ 1,659,528	\$ 2,006,220
Money market	172,048	-	-	-	172,048	127,014	45,034
CSIP	35,897,917	7,933,960	17,955	2,528,835	46,378,667	37,415,234	8,963,433
Investments	21,636,659	-	-	-	21,636,659	21,839,146	(202,487)
Accounts receivable	19,776,729	40,588	-	-	19,817,317	29,937,831	(10,120,514)
Interest receivable	104,852	-	-	-	104,852	101,489	3,363
Leases receivable	432,278	-	2,311,245	-	2,743,523	2,743,523	-
Due from other funds	-	-	-	692,485	692,485	125,871	566,614
Prepays	2,665,736	6,388,833	-	14,289	9,068,858	9,129,070	(60,212)
Inventory	1,435,720	-	-	-	1,435,720	1,404,736	30,984
Total Assets	85,156,356	14,363,381	2,807,502	3,388,638	105,715,877	104,483,442	1,232,435
Liabilities							
Accounts payable - general	1,870,988	280,541	38,178	1,845,829	4,035,537	3,335,803	699,734
Accounts payable - payroll and benefits	2,865,022	-	-	-	2,865,022	5,407,723	(2,542,701)
Deferred revenue	45,908	-	-	-	45,908	44,336	1,572
Deferred leases	423,184	-	2,241,946	-	2,665,130	2,665,130	-
Due to other funds	692,485	-	-	-	692,485	125,871	566,614
Total Liabilities	5,897,587	280,541	2,280,124	1,845,829	10,304,082	11,578,863	(1,274,781)
Nonspendable:						Current Year Subtotals	
Prepaid Items	2,665,736	6,388,833	-	14,289	9,068,858		
Inventory	1,435,720	-	-	-	1,435,720		
						10,504,578	
Restricted:							
TABOR Reserve (3%)	4,823,573	-	-	-	4,823,573		
Excise Tax Reserve	-	1,571,582	-	-	1,571,582		
Self Insurance	-	-	-	1,528,520	1,528,520		
						7,923,675	
Committed:							
Capital Projects Reserve	-	6,122,425	-	-	6,122,425		
Operating Reserve (20%)	32,683,960	-	-	-	32,683,960		
						38,806,385	
Assigned:							
Building Rental	-	-	527,378	-	527,378		
JACC Projects	248,934	-	-	-	248,934		
						776,312	
Unassigned							
	37,400,846	-	-	-	37,400,846	37,400,846	
Fund Balances	\$ 79,258,769	\$ 14,082,840	\$ 527,378	\$ 1,542,809	\$ 95,411,795	\$ 95,411,795	

South Metro Fire Rescue FPD
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
General Fund
For the period ending May 31, 2023



	Current Period Actuals	YTD Actuals	Annual Budget	Annual Variance	42% % Received	PY Actual YTD	Variance CY to PY
Revenues							
Property tax	\$ 12,465,534	\$ 89,213,097	\$ 124,574,007	\$ (35,360,910)	71.61%	\$ 89,849,500	\$ (636,403)
Specific ownership tax	874,782	4,184,024	9,690,566	(5,506,542)	43.18%	3,976,295	207,729
Ambulance transport services	1,345,118	6,095,028	13,270,944	(7,175,916)	45.93%	4,909,380	1,185,648
Medicare/medicaid supplemental payment	-	-	7,368,878	(7,368,878)	0.00%	-	-
Investment income	130,694	456,340	-	456,340	0.00%	199,246	257,094
Mark to market	(221,995)	296,768	-	296,768	0.00%	(785,291)	1,082,059
Rental income	15,897	82,127	186,947	(104,820)	43.93%	90,453	(8,326)
Permit / Plan review	226,410	1,019,199	2,300,625	(1,281,426)	44.30%	1,025,868	(6,669)
Reimbursements	568,055	1,200,019	1,908,394	(708,375)	62.88%	783,042	416,977
Dispatch fees	-	78,490	133,092	(54,602)	58.97%	65,533	12,957
Miscellaneous	8,228	206,626	1,217,312	(1,010,686)	16.97%	34,319	172,307
Total Revenues	15,412,723	102,831,718	160,650,765	(57,819,047)	64.01%	100,148,345	2,683,373
Expenditures							
Salaries	6,701,004	35,731,576	90,951,268	55,219,692	39.29%	33,444,716	(2,286,860)
Overtime - minimum staffing	415,463	1,585,506	8,548,063	6,962,557	18.55%	2,970,289	1,384,783
Overtime - reimbursable	175,769	697,727	1,236,275	538,548	56.44%	315,929	(381,798)
Overtime - other	292,457	1,206,517	2,038,689	832,172	59.18%	839,297	(367,220)
Benefits	2,887,158	15,554,889	37,765,945	22,211,056	41.19%	15,363,608	(191,281)
Supplies	186,117	733,841	1,788,430	1,054,589	41.03%	677,820	(56,021)
Equipment	170,364	811,106	1,725,439	914,333	47.01%	739,249	(71,857)
Memberships and certifications	33,472	100,944	260,183	159,239	38.80%	103,303	2,359
Awards and recognition	9,360	75,539	136,091	60,552	55.51%	69,606	(5,933)
Uniforms	171,266	782,862	1,467,762	684,900	53.34%	665,095	(117,767)
Software maintenance	197,634	1,230,116	3,057,405	1,827,289	40.23%	1,055,614	(174,502)
Hardware maintenance	9,614	49,711	694,300	644,589	7.16%	73,345	23,634
Utilities	142,395	793,565	1,569,215	775,650	50.57%	640,735	(152,830)
Fuel	68,198	382,177	1,003,850	621,673	38.07%	373,954	(8,223)
Fleet supplies	23,437	315,283	590,000	274,717	53.44%	257,387	(57,896)
Physicals	-	252,593	300,908	48,315	83.94%	42,725	(209,868)
Bank and credit card fees	11,398	54,759	154,000	99,241	35.56%	67,524	12,765
Equipment lease	4,875	23,259	72,775	49,516	31.96%	22,534	(725)
Vehicle lease	40,601	193,988	420,000	226,012	46.19%	175,431	(18,557)
Audit	37,500	52,500	70,000	17,500	75.00%	24,500	(28,000)
Legal	22,077	92,347	250,000	157,653	36.94%	71,163	(21,184)
Professional services	654,988	2,028,563	4,012,210	1,983,647	50.56%	1,482,489	(546,074)
Insurance	33,976	363,076	854,732	491,656	42.48%	292,836	(70,240)
Seminars, conferences and travel	102,128	316,159	675,074	358,915	46.83%	242,433	(73,726)
Meeting expense	8,812	42,551	107,510	64,959	39.58%	31,251	(11,300)
Repairs and maintenance	105,709	619,806	1,276,756	656,950	48.55%	577,173	(42,633)
Outside rental	712	6,709	24,500	17,791	27.38%	21,994	15,285
Tuition assistance, EAP, and other programs	53,829	193,212	499,546	306,334	38.68%	215,839	22,627
Treasurer's fees	187,153	1,339,022	1,868,873	529,851	71.65%	1,348,711	9,689
Total Expenditures	12,747,466	65,629,903	163,419,799	97,789,896	40.16%	62,341,258	(3,288,645)

South Metro Fire Rescue FPD
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
General Fund
For the period ending May 31, 2023



	Current Period Actuals	YTD Actuals	Annual Budget	Annual Variance		PY Actual YTD	Variance CY to PY
Excess of Revenues Over (Under) Expenditures	2,665,257	37,201,815	(2,769,034)	39,970,849	42%	37,807,087	(605,272)
Other Financing Sources (Uses)							
Sale of assets	30,200	30,468	135,000	(104,532)	22.57%	-	30,468
Total Other Financing Sources (Uses)	30,200	30,468	135,000	(104,532)		(15,000,000)	15,030,468
Net Change in Fund Balances	2,695,457	37,232,283	(2,634,034)	39,866,317		22,807,087	14,425,196
Fund Balances - Beginning of Year	42,026,486	42,026,486	40,393,074	1,633,412			
Fund Balances - End of Year	\$ 44,721,943	\$ 79,258,769	\$ 37,759,040	\$ 41,499,729			

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South Metro Fire Rescue FPD
Schedule of Expenditures - Budget to Actual - Salaries and Benefits
General Fund
For the period ending May 31, 2023



	Current Period Actuals	YTD Actuals	YTD Budget	YTD Variance	Annual Budget	Annual Variance	% Used	PY Actual YTD	Variance CY to PY
Expenditures									
Salaries	\$ 6,692,233	\$ 35,638,392	\$ 35,238,220	\$ (400,172)	\$ 88,619,403	\$ 52,981,011	40.22%	\$ 32,825,356	\$ (2,813,036)
Buyouts	8,771	93,184	451,570	358,386	2,331,865	2,238,681	4.00%	619,360	526,176
Overtime - Minimum Staffing	374,638	1,298,006	1,966,902	668,896	7,798,063	6,500,057	16.65%	2,669,442	1,371,436
Overtime - FLSA	44,396	310,934	302,885	(8,049)	750,000	439,066	41.46%	321,310	10,376
Overtime - Wildland Deployment	157,656	594,403	344,077	(250,326)	852,000	257,597	69.77%	223,315	(371,088)
Overtime - USAR Deployment & Training	-	-	-	-	184,764	184,764	0.00%	2,289	2,289
Overtime - Other	306,999	1,286,409	903,888	(382,521)	2,238,200	951,791	57.48%	909,158	(377,251)
Benefits	2,887,158	15,554,889	15,492,608	(62,281)	36,980,070	21,425,181	42.06%	13,915,441	(1,639,448)
HSA Contributions	-	-	-	-	785,875	785,875	0.00%	1,448,167	1,448,167
Total Expenditures	\$ 10,471,851	\$ 54,776,217	\$ 54,700,150	\$ (76,067)	\$ 140,540,240	\$ 85,764,023	38.98%	\$ 52,933,838	\$ (1,842,379)

South Metro Fire Rescue
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
Capital Projects Fund
For the period ending May 31, 2023



	Current Period Actuals	YTD Actuals	Annual Budget	Annual Variance		PY Actual YTD	Variance CY to PY
Revenues					% Received		
Excise tax	\$ -	\$ 148,412	\$ 480,000	\$ (331,588)	30.92%	\$ 151,545	\$ (3,133)
Investment income	23,330	158,144	-	158,144	0.00%	-	158,144
ARFF units reimbursement	-	1,000,000	-	1,000,000	0.00%	1,000,000	-
Total Revenues	<u>23,330</u>	<u>1,306,556</u>	<u>480,000</u>	<u>826,556</u>	<u>272.20%</u>	<u>1,151,545</u>	<u>155,011</u>
Expenditures					% Used		
Buildings and grounds	141,451	1,022,203	8,421,125	7,398,922	12.14%	909,345	(112,858)
Vehicles and apparatus	149	2,459,519	5,343,883	2,884,364	46.02%	1,895,276	(564,243)
Equipment	401,551	3,862,207	3,765,000	(97,207)	102.58%	68,497	(3,793,710)
Total Expenditures	<u>543,151</u>	<u>7,343,929</u>	<u>17,530,008</u>	<u>10,186,079</u>	<u>41.89%</u>	<u>2,873,118</u>	<u>(4,470,811)</u>
Excess of Revenues Over (Under) Expenditures	<u>(519,821)</u>	<u>(6,037,373)</u>	<u>(17,050,008)</u>	<u>11,012,635</u>		<u>(1,721,573)</u>	<u>(4,315,800)</u>
Other Financing Sources (Uses)							
Transfers from other funds	-	-	-	-		15,000,000	(15,000,000)
Sale of assets	-	-	-	-		1,615,053	(1,615,053)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>16,615,053</u>	<u>(16,615,053)</u>
Net Change in Fund Balances	<u>(519,821)</u>	<u>(6,037,373)</u>	<u>(17,050,008)</u>	<u>11,012,635</u>		<u>14,893,480</u>	<u>(20,930,853)</u>
Fund Balances - Beginning of Year		<u>20,120,213</u>	<u>21,439,782</u>	<u>(1,319,569)</u>			
Fund Balances - End of Year		<u>\$ 14,082,840</u>	<u>\$ 4,389,774</u>	<u>\$ 9,693,066</u>			

South Metro Fire Rescue
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
Building Rental Fund
For the period ending May 31, 2023



	Current Period Actuals	YTD Actuals	Annual Budget	Annual Variance		PY Actual YTD	Variance CY to PY
Revenues					% Received		
Rental income	\$ 56,364	\$ 281,825	\$ 651,542	\$ (369,717)	43.26%	\$ 314,410	\$ (32,585)
Total Revenues	<u>56,364</u>	<u>281,825</u>	<u>651,542</u>	<u>(369,717)</u>	43.26%	<u>314,410</u>	<u>(32,585)</u>
Expenditures					% Used		
Supplies	878	2,085	14,021	11,936	14.87%	4,697	2,612
Utilities	20,399	120,782	280,708	159,926	43.03%	105,525	(15,257)
Professional services	-	-	5,000	5,000	0.00%	700	700
Outside services	9,288	46,654	110,000	63,346	42.41%	43,754	(2,900)
Routine maintenance/Outside repairs	17,585	67,352	169,264	101,912	39.79%	55,333	(12,019)
Equipment	780	780	10,100	9,320	7.72%	6,701	5,921
Building and grounds	-	-	65,375	65,375	0.00%	-	-
Total Expenditures	<u>48,930</u>	<u>237,653</u>	<u>654,468</u>	<u>416,815</u>	36.31%	<u>216,710</u>	<u>(20,943)</u>
Net Change in Fund Balances	<u>7,434</u>	<u>44,172</u>	<u>(2,926)</u>	<u>47,098</u>		<u>97,700</u>	<u>(53,528)</u>
Fund Balances - Beginning of Year		<u>483,206</u>	<u>517,643</u>	<u>(34,437)</u>			
Fund Balances - End of Year		<u>\$ 527,378</u>	<u>\$ 514,717</u>	<u>\$ 12,661</u>			

South Metro Fire Rescue FPD
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
Self-Insured Medical Fund
For the period ending May 31, 2023



	Current Period Actuals	YTD Actuals	Annual Budget	Annual Variance		PY Actual YTD	Variance CY to PY
Revenues					% Received		
Medical premiums	\$ 1,412,580	\$ 7,019,481	\$ 16,004,600	\$ (8,985,119)	43.86%	\$ 5,854,987	\$ 1,164,494
Dental premiums	66,478	329,898	0	329,898	0.00%	-	329,898
Miscellaneous revenue	-	530,951	600,000	(69,049)	88.49%	477,380	53,571
Stop loss refunds	237	9,675	50,000	(40,325)	19.35%	-	9,675
Net investment earnings	12,785	41,886	12,500	29,386	335.09%	2,811	39,075
Total Revenues	1,492,080	7,931,891	16,667,100	(8,735,209)	47.59%	6,335,178	1,596,713
Expenditures					% Used		
Medical payments	986,436	5,321,520	15,204,370	9,882,850	35.00%	5,300,488	(21,032)
Dental payments	81,178	321,287	-	(321,287)	0.00%	-	(321,287)
HSA contributions	-	508,250	-	(508,250)	0.00%	-	(508,250)
Stop loss insurance / admin fees	100,320	359,962	1,153,992	794,030	31.19%	450,499	90,537
Total Expenditures	1,167,934	6,511,019	16,358,362	9,847,343	39.80%	5,750,987	(760,032)
Excess of Revenues Over (Under) Expenditures	324,146	1,420,872	308,738	1,112,134		584,191	836,681
Net Change in Fund Balances	324,146	1,420,872	308,738	1,112,134		584,191	836,681
Fund Balances - Beginning of Year		121,937	1,389,326	(1,267,389)			
Fund Balances - End of Year		\$ 1,542,809	\$ 1,698,064	\$ (155,255)			

South Metro Fire Rescue
 Schedule of Property Tax Collections
 Arapahoe, Douglas, and Jefferson Counties
 2023



Month	Property Taxes			Interest	Specific Ownership	Treasurer's Fee	2023 Total	Percent Collected	2022 Collections	Percent Collected
	Current Year	PY Adj	TIF							
January	2,605,975	(41,404)	(17,407)	(1,251)	776,743	(38,200)	3,284,456	2.48%	2,516,732	1.87%
February	43,477,404	(53,001)	(174,860)	(6,628)	800,808	(648,711)	43,395,013	35.26%	41,279,156	32.55%
March	7,958,512	(26,681)	(26,312)	(2,652)	893,148	(118,609)	8,677,405	41.81%	11,543,921	41.13%
April	22,543,175	623,464	(121,302)	(2,388)	838,543	(346,349)	23,535,143	59.59%	25,261,144	59.90%
May	12,505,357	8,091	(47,914)	10,855	874,782	(187,153)	13,164,017	69.53%	11,893,898	68.74%
June	-	-	-	-	-	-	-	-	33,072,505	93.32%
July	-	-	-	-	-	-	-	-	2,214,790	94.97%
August	-	-	-	-	-	-	-	-	1,468,874	96.06%
September	-	-	-	-	-	-	-	-	863,247	96.70%
October	-	-	-	-	-	-	-	-	860,425	97.34%
November	-	-	-	-	-	-	-	-	1,101,866	98.16%
December	-	-	-	-	-	-	-	-	663,530	98.65%
Total	89,090,423	510,468	(387,794)	(2,064)	4,184,024	(1,339,022)	92,056,035		132,740,087	
	sum of all Property Tax sub categories =				89,213,097					
Budget	125,392,957	-	(818,950)	-	9,690,566	(1,868,873)	132,395,700			

South Metro Fire Rescue
 Schedule of TIF Diverted By County
 2023

Month	Arapahoe County	Douglas County	2023 Total TIF
January	-	(17,407)	(17,407)
February	-	(174,860)	(174,860)
March	-	(26,312)	(26,312)
April	(7)	(121,295)	(121,302)
May	(691)	(47,223)	(47,914)
June	-	-	-
July	-	-	-
August	-	-	-
September	-	-	-
October	-	-	-
November	-	-	-
December	-	-	-
Total	(698)	(387,096)	(387,794)

South Metro Fire Rescue
 Excise Tax Collections
 2023

Quarter	Amount
Q1	148,411.63
Q2	-
Q3	-
Q4	-
Total	148,411.63

Year	Amount
2019	17,761.00
2020	347,055.96
2021	577,987.65
2022	480,364.98
Grand total	1,571,581.22

South Metro Fire Rescue
Capital Details
5/31/2023



Project	Expenses to Date
Buildings and Grounds - Capital Projects Fund	
Station 15 - New station build	\$ 478,421 *
Station 19 - New concrete	37,060 *
Station 31 - Roof and gutter repair	12,450 *
Station 33 - New generator	50,299
Station 35 - Remodel	13,578 *
Station 43 - Furnace replacement	26,259
JSF - First Floor Remodel	330,972 *
MHQ - Remodel	14,709 *
TJTC - Design fees	34,160 *
Sleep Initiative	24,294
Total Buildings and Grounds	1,022,203
Vehicle and Apparatus - Capital Projects Fund	
2 Oshkosh Stricker ARFF Units	2,004,796
Pierce KW Tender	454,723
Total Vehicle and Apparatus	2,459,519
Leases - Capital Projects Fund	
Ambulance pram lease	62,031 *
Warehouse lease	205,749 *
Total Lease	267,780
Equipment - Capital Projects Fund	
Thermal imagers	370,694 *
Radios	3,185,843
Rescue lifting bags	37,890
Total Building and Grounds	3,594,427
Total Capital Purchases	\$ 7,343,929

*Current period expenses.

South Metro Fire Rescue
Prepaid Capital Project Expenses Schedule
May 31, 2023



Anticipated In Service (Budget Year)

Apparatus Description	Amount	Board Approved	Original Budgeted Year	2023	2024	Total
2024 Heavy Rescue Tiller #3395	1,700,075	1/24/2022	2024	-	1,700,075	1,700,075
2023 Type 6 Brush Truck #2280	73,404	12/6/2021	2021	73,404	-	73,404
2023 Type 6 Brush Truck #2281	73,701	12/6/2021	2021	73,701	-	73,701
2023 Dive Unit #3348	6,121	12/5/2022	2023	-	6,121	6,121
2023 Hazmat unit #3334	753,287	11/1/2021	2023	753,287	-	753,287
2023 Type III Brush #2282	6,121	12/6/2021	2022	6,121	-	6,121
2023 Ram Service Truck #1588	75,887	12/5/2023	2023	75,887	-	75,887
2023 Medic #2246	12,496	1/10/2022	2023	12,496	-	12,496
2023 Medic #2248	12,496	1/10/2022	2023	12,496	-	12,496
2023 Medic #2251	12,496	1/10/2022	2023	12,496	-	12,496
2023 Medic #2253	12,496	1/10/2022	2023	12,496	-	12,496
2023 Medic #2254	12,496	1/10/2022	2023	12,496	-	12,496
2023 BC vehicle Ford F150 2208	37,398	12/5/2022	2023	37,398	-	37,398
2023 BC vehicle Ford F150 2209	32,930	12/5/2022	2023	32,930	-	32,930
2023 BC vehicle Ford F150 2210	30,144	12/5/2022	2023	30,144	-	30,144
2023 Medic #2232	2,716	9/13/2021	2022	2,716	-	2,716
2023 Medic #2233	2,716	9/13/2021	2022	2,716	-	2,716
2023 Medic #2234	2,716	9/13/2021	2022	2,716	-	2,716
2023 Medic #2235	2,716	9/13/2021	2022	2,716	-	2,716
2023 Medic #2236	2,716	9/13/2021	2022	2,716	-	2,716
2023 Medic #2237	2,716	9/13/2021	2022	2,716	-	2,716
2023 Medic #2238	2,716	9/13/2021	2022	2,716	-	2,716
2023 Medic #2239	2,716	9/13/2021	2022	2,716	-	2,716
2024 Type I Engine #3391	839,362	4/4/2022	2024	-	839,362	839,362
2024 Type I Engine #3392	839,362	4/4/2022	2024	-	839,362	839,362
2024 Type I Engine #3393	839,362	4/4/2022	2024	-	839,362	839,362
2024 Type I Engine #3394	839,362	4/4/2022	2024	-	839,362	839,362
2023 Type 6 Brush Truck #2283	71,970	12/5/2022	2023	71,970	-	71,970
2023 Type 6 Brush Truck #2283	71,970	12/5/2022	2023	71,970	-	71,970
Total Prepaid Apparatus	\$ 6,374,662			\$ 1,311,019	\$ 5,063,642	\$ 6,374,661

Original Budgeted Year: The year the Board can expect the purchase to be included in the budget.

Anticipated in Service (Budget Year): Cost of the purchase in the anticipated budget year the purchase will go into service.

* Added to CIP in 2022

SOUTH METRO FIRE RESCUE

BOARD AGENDA

MEETING DATE: 7/10/2023

AGENDA ITEM TYPE: ACTION ITEM

SUBJECT: Colorado Special District Property and Liability Pool Repayment

BACKGROUND: Through our membership in the Colorado Special District's workers' compensation pool, the District participates in the Colorado Firefighter Heart and Cancer Benefits Trust. The Heart Trust premium is paid by the District to the CSD Pool and once paid, we apply and receive reimbursement through the Colorado Department of Local Affairs (DOLA) Firefighter Cardiac Benefit Program. The CSD Pool also pays the premium for the Cancer Trust Award Program. The CSD Pool requires the Repayment Agreement between the CSD Pool and the District acknowledging SMFR's repayment obligation in case we cancel or choose not to renew the workers' compensation coverage during the coverage period from July 1, 2023 to June 30, 2024. It needs to be executed by the District's governing body. This agreement has been signed by SMFR in previous years.

RECOMMENDATION: Staff recommends approval of the Repayment Agreement.

SUBMITTED BY: Chris Macklin

APPROVED BY: Dillon Miskimins

**COLORADO SPECIAL DISTRICTS PROPERTY AND LIABILITY POOL
REPAYMENT AGREEMENT**

This Repayment Agreement ("Agreement") is made between the Colorado Special Districts Property and Liability Pool ("Pool") and _____ ("Member").

RECITALS

A. As an incentive for its workers' compensation program members to participate in the Colorado Firefighter Heart, Cancer and Behavioral Health Benefits Trust ("Trust") and the Cancer Award Program ("Cancer Award Program"), the Pool has developed a contribution payment program for Pool payment to the Trust of the Member's qualifying contribution for the Trust's coverage period July 1, 2023, through June 30, 2024.

B. Such program is for the Pool's members who continue workers' compensation coverage with the Pool from July 1, 2023, through June 30, 2024.

C. The Pool and Member intend by this Agreement to set forth their understanding that Member shall reimburse the Pool for a prorated share of the Cancer Award Program qualifying contribution made by the Pool in the event Member cancels, chooses not to renew, or only carries its workers' compensation coverage without 7710 and/or 7711 class code with the Pool at any time from July 1, 2023, through June 30, 2024.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. Cancer Award Program Contribution. In consideration of the recitals and promises herein, the Pool will pay to the Trust on behalf of Member the Member's qualifying contribution for Member's participation in the Trust Cancer Award Program for the coverage period July 1, 2023, through June 30, 2024 (the "Contribution").

2. Reimbursement of Contribution. In the event Member cancels or chooses not to renew its workers' compensation coverage through the Pool at any time during the coverage period July 1, 2023, through June 30, 2024, then within thirty (30) days of invoicing by the Pool, Member shall repay to the Pool a prorated amount of the Contribution, equal to 1/365th of the total amount of the Contribution multiplied by the number of days remaining from the date of Member's workers' compensation coverage cancellation or expiration to June 30, 2024. Amounts not paid when due shall be assessed simple interest at the rate of 12% per annum.

3. Entire Agreement. The parties acknowledge that this Agreement constitutes the sole agreement in this matter, that it supersedes any prior oral or written agreements, and that any modifications may only be affected by a writing signed by the parties to this Agreement. If any provision of this Agreement is found to be unenforceable, then the remaining provisions shall remain valid and enforceable.

IN WITNESS WHEREOF, this Agreement was approved by the governing body of the Member on the _____ day of _____, 2023.

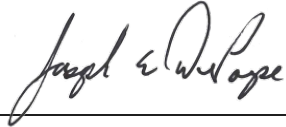
MEMBER

By: _____

Printed Name

Title

**COLORADO SPECIAL DISTRICTS PROPERTY
AND LIABILITY POOL**

By:  _____

Joseph DePaepe

Printed Name

CSD Pool Administrator

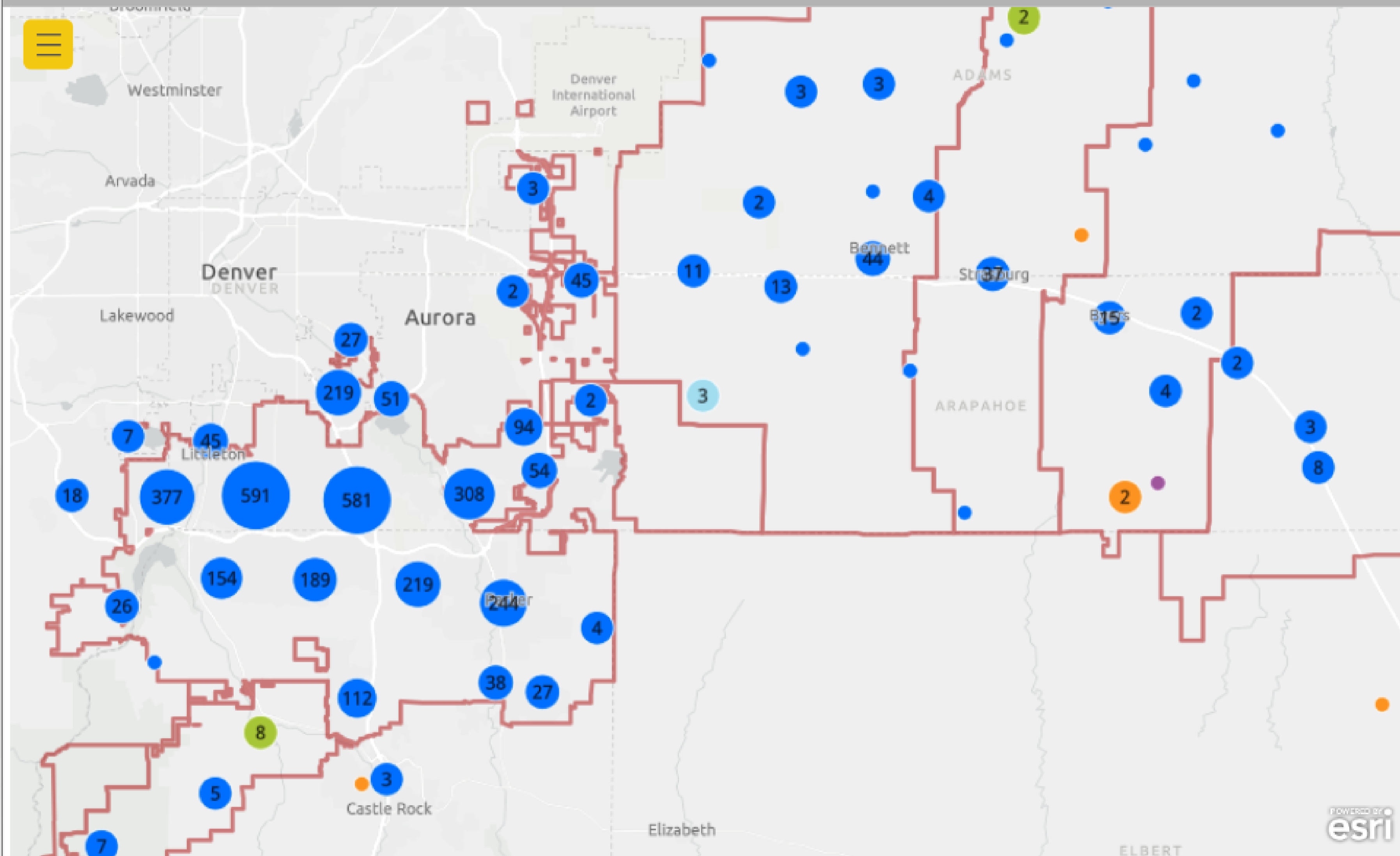
Title



Emergency Services: Emergency Communications



Service Area Call Volume



Quality Assurance Standards	Date
	Last <input type="text" value="1"/> Months (... <input type="text" value="..."/> 5/1/2023 - 5/31/2023
The data in these charts is updated at the end of the prior month. For best results, set date filter to last month (calendar) at minimum.	Call Taking 99.4% 0.0% 100.0%
EMD 95.0% 0.0% 100.0%	Radio 98.4% 0.0% 100.0%
SSM 99.5% 0.0% 100.0%	Customer Service 100.00% 0.0% 100.0%



Emergency Services: Emergency Communications

The data in these charts is updated at various times.

For best results, set date filter to last month (calendar) at minimum.



Date

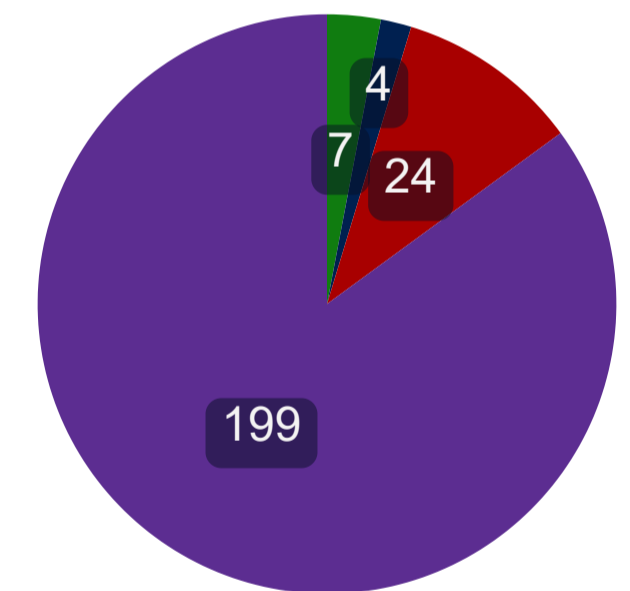
5/1/2023 - 5/31/2023

Emergency Communications: Performance

Jurisdiction	Total Calls	Disp Time 90th	Disp Avg
Bennett Fire	98	00:00:51	00:00:32
Byers Fire	29	00:00:42	00:00:22
Deer Trail Fire	15	00:00:35	00:00:20
Fire Other	86	00:00:35	00:00:12
Sable Altura Fire	61	00:00:40	00:00:26
South Metro Fire	4,242	00:00:49	00:00:29
Strasburg Fire	56	00:00:44	00:00:26
West Douglas Fire	23	00:00:58	00:00:39
Total	4,610	00:00:49	00:00:29

Emergency Communication: Hours

- IDT Deployment
- Pub Ed
- Ride Time
- Training



Emergency Communications: Telecom Compliance

911 Calls	911 Ans < 10 sec	911 Abn	Alarm Calls	Alarm Ans < 10 sec	Admin Calls	Admin Ans < 10 sec
2,851	99.12%	7	837	98.92%	2,873	99.23%



Emergency Services: Emergency Communications

The data in these charts is updated at various times.

For best results, set date filter to last month (calendar) at minimum.



Date

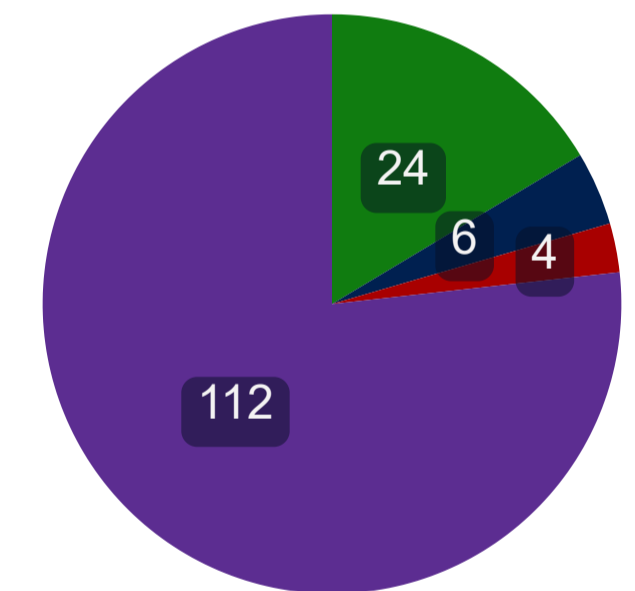
6/1/2023 - 6/30/2023

Emergency Communications: Performance

Jurisdiction	Total Calls	Disp Time 90th	Disp Avg
Bennett Fire	106	00:00:53	00:00:30
Byers Fire	33	00:00:50	00:00:28
Deer Trail Fire	19	00:00:58	00:00:24
Fire Other	61	00:00:37	00:00:14
Sable Altura Fire	33	00:00:34	00:00:22
South Metro Fire	4,124	00:00:49	00:00:32
Strasburg Fire	47	00:00:51	00:00:32
West Douglas Fire	21	00:00:48	00:00:38
Total	4,444	00:00:49	00:00:31

Emergency Communication: Hours

- IDT Deployment
- Pub Ed
- Ride Time
- Training



Emergency Communications: Telecom Compliance

911 Calls	911 Ans < 10 sec	911 Abn	Alarm Calls	Alarm Ans < 10 sec	Admin Calls	Admin Ans < 10 sec
2,859	97.93%	37	819	98.41%	2,993	98.16%



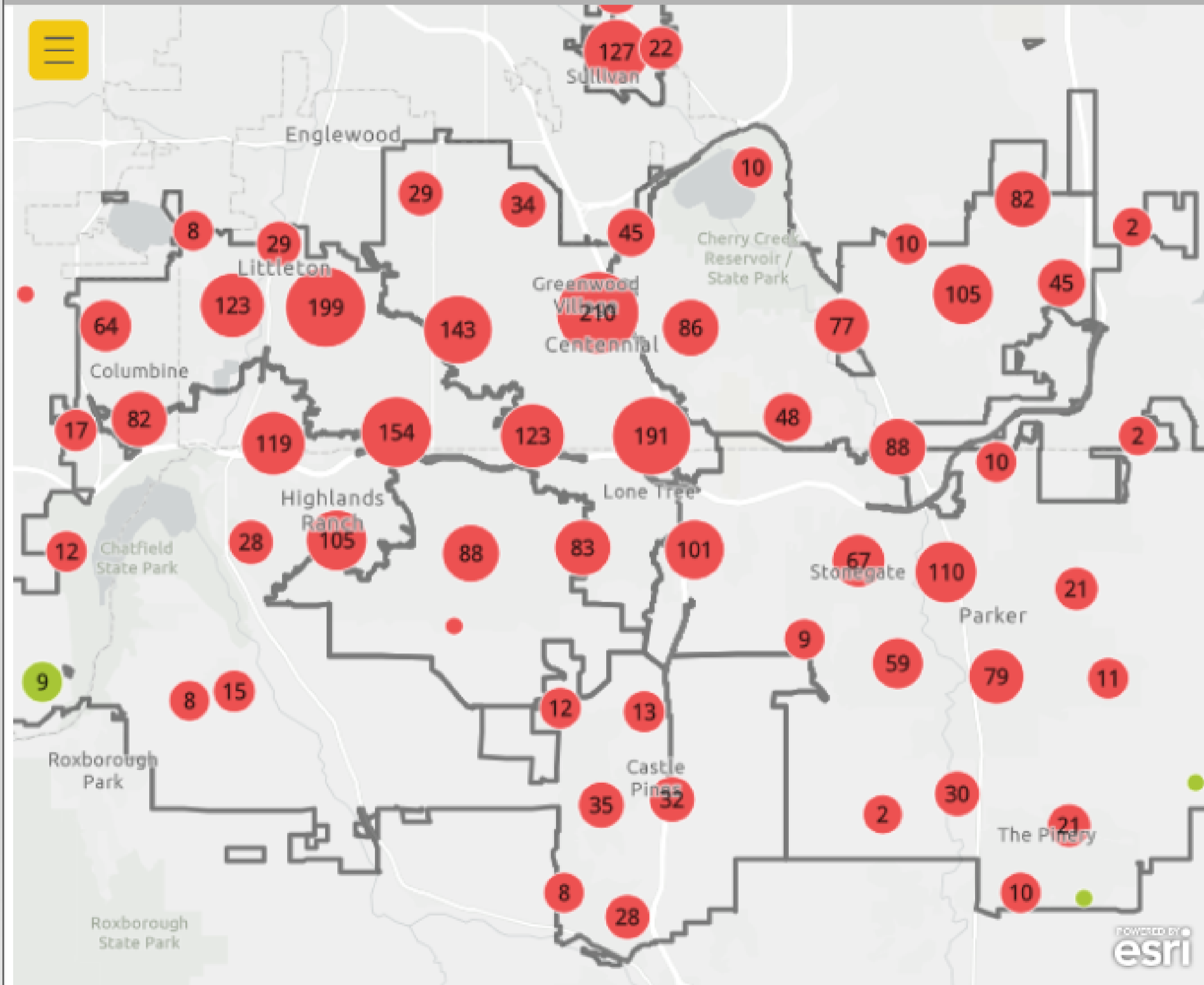
Emergency Services: Operations CAD Statistics

Date

Last 1 Months (Calendar)

6/1/2023 - 6/30/2023

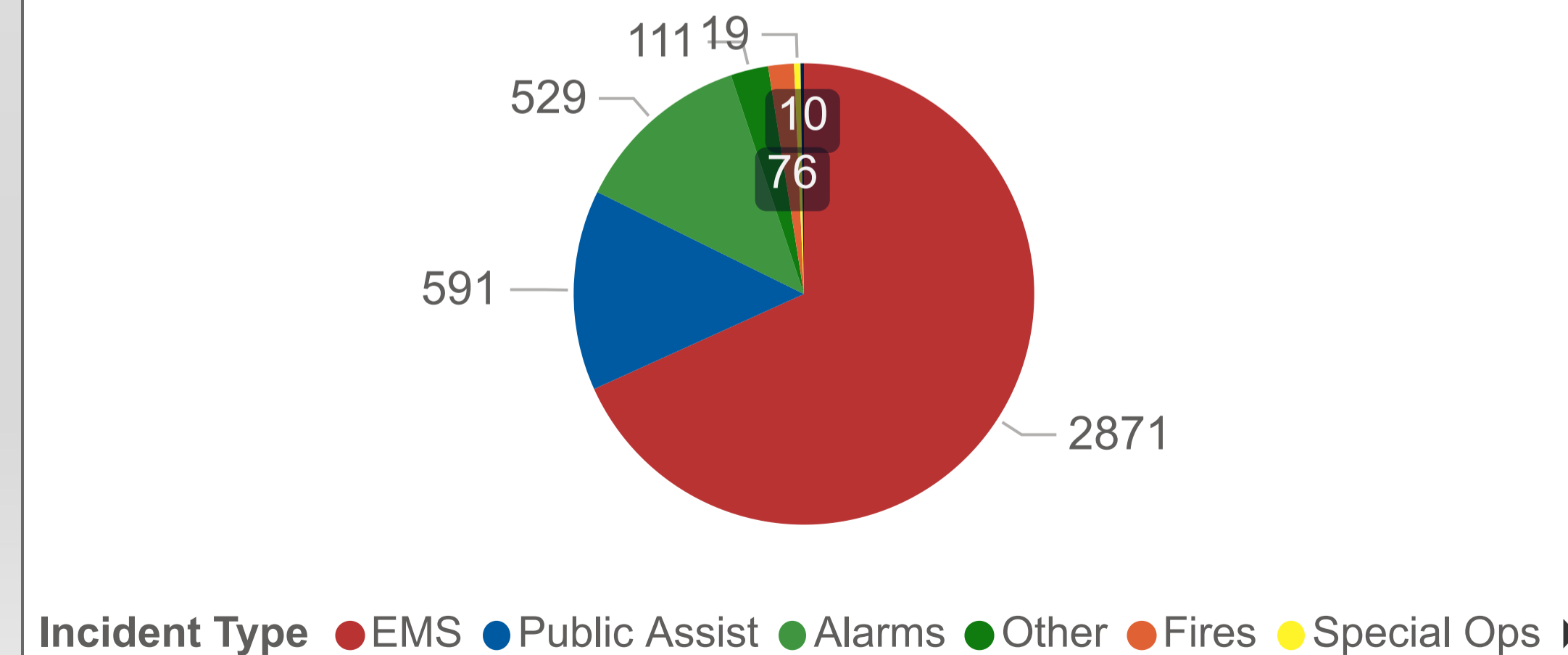
SMFR Call Volume by Battalion



In District	Num Calls	Turnout 90th PCTL	Turnout % Met Goal	Travel 90th PCTL	Travel % Met Goal
No	84	00:01:48		00:13:59	
Yes	4,123	00:01:40	82.73%	00:07:55	60.69%
Total	4,207	00:01:40	82.73%	00:08:00	60.69%

Time Goals:
 00:01:30 for Turnout | 00:05:12 for Travel

Total Incidents by Call Type



MAKING A *difference*

MARGARET RAKOWSKY HONORED BY ALMA MATER

Longtime Greenwood Village resident Margaret Hughes Rakowsky was recently conferred with an Alumni Citation by Denison University for her outstanding contributions and services to the professional, civic, or religious life of the nation or advancement of the university.

Margaret, a retired chemist and educator, is married to former Greenwood Village Mayor Ron Rakowsky and has lived a life devoted to education and service. Driven by a love of science, Margaret earned her Bachelor of Science in Chemistry from Denison University in Granville, Ohio in 1965. After earning her Master of Arts in Teaching from Johns Hopkins University, she married Ron, who is also a Denison University alum, and began teaching high school chemistry in Solon, Ohio.

When Ron entered active duty in the U.S. Air Force in 1970, the couple moved to Florida where Margaret dedicated herself to raising the couple's children, Catherine and Robert, and volunteering on the base, with her sorority, and in the community while supporting Ron's Air Force career. In 1980, Margaret returned to chemistry as a teaching associate program director at the University of California at Riverside. She enrolled in the doctoral program at UC Riverside and earned her doctoral degree in 1985.

Margaret became a postdoctoral fellow at the U.S. Naval Research Laboratory in Washington, D.C., when Ron was assigned to the Pentagon. The family moved to Colorado in the summer of

1988, where Ron had been assigned the staff judge advocate at the Air Reserve Personnel Center in Denver.

In the past 35 years since moving to the Centennial State, Margaret has taught chemistry and conducted research at the University of Colorado Denver, the U.S. Air Force Academy, and Regis University. She also served for 14 years as an elected board member of South Metro Fire Rescue and represented the fire protection district on the Special District Association of Colorado's Board of Directors.

As an active member of the chemistry community, she served as secretary to the Colorado Section of the American Chemical Society and organized regional meetings over 22 years, for which she was awarded the E. Ann Nalley Rocky Mountain Region Award for Volunteer Service.

Margaret and Ron continued their commitment to Denison with the establishment of the Rakowsky Family



Endowed Fund for Summer Scholars to support summer research at the university.

Congratulations Margaret on this outstanding achievement and well-deserved recognition for a lifetime of outstanding educational, volunteer and civic contributions! *GV*

RESIDENTIAL COMPOSTING UPDATE

Thank you to all 70 residents who provided their input and ideas regarding residential composting through Village Voices, the City's online engagement platform, during the input period from March 3



to May 2, 2023. Based on feedback received from the community, the City will not be pursuing providing a composting service, but will continue to provide information on composting options available to residents. If you are interested in learning more, composting information and resources will be available at Greenwood Village Day on July 29 from 4 - 9:30 p.m. at Village Greens Park. Register for your free resident ticket at greenwoodvillage.com/specialevents.



ARVADA FIRE

May 31, 2023

Fire Chief Bob Baker
South Metro Fire Rescue Authority
9195 E. Mineral Ave
Centennial, CO 80112

RE: CAPTAIN TIM URBAN, LIEUTENANT HEIDI SIMON

Dear Chief Baker,

On behalf of the Arvada Fire Protection District, I want to sincerely thank Captain Tim Urban and Lieutenant Heidi Simon for participating as assessors in our recent lieutenant promotion assessment. Their professionalism, insight, and dedication contributed to the success of our process, and we greatly appreciate them taking the time to assist us.

Sincerely,

Mike Piper EFO, CFO, MPA
Fire Chief

thanks!

Dear CS and Angie,

Thank you so much for presenting
"Complex Incidents - Before, During, After"
at our 2023 state conference!

Your contribution helped make our
conference excellent, and we are
grateful to you!

Sincerely,

The CO NENA/APCO Board

June 22, 2023

Chief Bob Baker
c/o South Metro Fire Rescue
9195 East Mineral Avenue
Centennial, CO 80112

Re: Fire on Wednesday, June 21
10100 Highland Meadow Circle, #42-207
Parker, CO 80134

Dear Chief:

I have always believed our firemen, nurses and teachers never get enough credit for what they do – OR enough money.

This was brought home to me last evening when the unit attached to mine caught fire. I will list below the units involved.

First of all, they pounded on my door and waited while I exited and then checked to make sure I was o.k. after inhaling some smoke (which they did several times).

I then stood in awe as these dozens of fire fighters from different fire stations all worked together so efficiently and quickly to not only put out the fire but double and triple check that the fire had not crept in under some of the out-the-way places. It was so amazing to see how they all interacted together, hardly speaking a word, just knowing what to do, when to do it and how to do it in the most efficient way.

When the fire was totally controlled, they even came into my unit to check that everything was ok THEN on top of all that, they actually swept out my driveway where there was all kinds of fire debris.

My deepest thanks to all these wonderful fire fighters. God bless you all!!!

Most sincerely,

MaryLin Montgomery

Re: Tower 34, E44, Tower 45, E17, Medic 44, DC1, Med 1, BC3