



SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT

ANNUAL COMPREHENSIVE FINANCIAL REPORT

We honorably serve the Colorado counties of
Arapahoe, Douglas, and Jefferson.

For the Fiscal Year Ended
December 31, 2025

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

**Annual Comprehensive Financial Report
For the Fiscal Year Ended
December 31, 2025**

**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, 2025
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SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT



June 5, 2026

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) and generally accepted government auditing standards (GAGAS) 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, 2025.

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 Mazars, 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, 2025, 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, 2025, 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, 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's service area includes 287 square miles and overlaps the cities and communities of Aurora, 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, Park Meadows Mall, and the campus of Lockheed Martin.

The District currently serves approximately 579,000 residents in Douglas, Arapahoe and Jefferson Counties and protects approximately 219,000 households. 48% of the District's population is in Douglas County with 46% in Arapahoe County and 6% in Jefferson County. The daytime population of the District is estimated to be 611,000.

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

Overview

Colorado's local economy continues to expand, though at a more moderate pace, with several indicators pointing to slowing momentum. In the Denver metro area, inflation reached 3.1% in September 2025, closely aligning with the national average of 3.2% for the same period.

Labor Market

Labor market conditions in Colorado are moderating following several years of strong post-pandemic growth, with employment gains slowing through 2025 and into 2026. According to the Colorado Legislative Council Staff economic forecast, job growth is

expected to remain positive but subdued, reflecting a transition to a more sustainable pace of expansion.

Unemployment rates across the District's counties remain low and continue to compare favorably to both state and national averages. As of December 2025, unemployment was 3.2% in Douglas County, 3.5% in Arapahoe County, and 3.4% in Jefferson County. These figures are slightly below the statewide average of approximately 3.6% and remain below the national average of approximately 4.1%.

While the labor market has cooled, it remains relatively tight by historical standards. The forecast notes that hiring demand has softened and labor force growth has stabilized, contributing to slower employment gains. However, continued population growth and a diverse regional economy are expected to support ongoing, albeit modest, job creation. Overall, the District's counties continue to demonstrate economic resilience, with labor market conditions that remain stable despite broader signs of moderation.

Housing Market

Following two years of gains, national home prices weakened in 2025, with major metropolitan indices declining through mid-year before modest stabilization later in the summer. Year-over-year price growth slowed significantly, with national home prices increasing by just 1.4% as of September 2025, while overall sales activity remained subdued amid a roughly 36% decline in transactions since 2022 and elevated inventory levels.

In Colorado and the Denver metro area, housing prices continued to decline more rapidly than the national average in 2025. Denver-area prices fell through the first half of the year and were down approximately 0.6% year-over-year as of September 2025, remaining below mid-2022 peak levels. Although affordability has modestly improved due to easing mortgage rates—averaging around 6.3% in mid-2025—housing costs remain elevated relative to recent historical norms.

Residential construction activity remains soft, with single-family building permits declining and multifamily activity partially offsetting overall weakness. Statewide housing starts and permits remain well below peak pandemic-era levels, reflecting continued challenges from elevated borrowing costs, rising inventory, and cautious developer sentiment. Overall, housing market conditions in 2025 point to continued moderation in both prices and construction activity, with near-term recovery constrained by affordability pressures and broader economic uncertainty.

Property Valuation and Taxation

Over the past decade, the District's assessed valuation has experienced significant growth, largely driven by strong real estate market conditions across the Denver metropolitan area. Property values peaked in 2022; however, subsequent legislative actions by the State of Colorado aimed at mitigating property tax increases for residents and businesses have reduced assessment rates in recent years.

Despite these legislative changes, the District has maintained moderate growth, with assessed valuation increasing at an average annual rate of 6.7% over the past five years. In the 2025 budget year, assessed valuation increased by 0.9% compared to the prior year, reflecting continued underlying strength in property values, partially offset by reductions in residential assessment rates.

The residential assessment rate declined from 7.15% to 6.80% for multi-family properties and to 6.95% for other residential properties in 2023. This rate was further reduced to 6.70% in 2024 and remained unchanged in 2025 for all residential property types. Looking ahead, the residential assessment rate will be decreasing to 6.25% in 2026 for local governments.

Income and Education

Per capita income within the District's service area exceeds both state and national averages, reflecting a relatively strong local economy. Douglas County reports a per capita income of \$107,204, while Arapahoe and Jefferson Counties report \$84,131 and \$88,698, respectively, compared to the Colorado average of \$82,705 and the national average of \$74,258.

The District also benefits from a highly educated population, with approximately 53.5% of residents holding a bachelor's degree or higher, significantly above the state average of 45.7% and the national average of 35.7%. This higher level of educational attainment supports workforce quality and economic stability within the District.

Economic Outlook

The U.S. and Colorado economies continued to expand in 2025, however, growth has moderated from the stronger pace experienced in prior years. The economic outlook for 2025 and 2026 reflects slower economic growth driven by elevated interest rates, reduced business investment, and ongoing global economic uncertainty.

Colorado's labor market remains relatively stable, though unemployment has edged upward and is expected to remain slightly elevated in the near term. Population growth has

slowed, contributing to more modest gains in employment and consumer demand. Inflation in Colorado continues to trend below the national average, although cost pressures persist in key sectors. The housing market has cooled further, characterized by reduced residential construction activity and gradual home price stabilization following prior volatility.

Despite these moderating trends, the state's economy is expected to continue growing at a measured pace. Risks to the outlook remain, including potential changes in federal fiscal policy, trade dynamics, and interest rate conditions, though increased policy clarity could support improved business confidence and investment.

Although property tax revenue declined by 5.6% in 2025 due to a one-time property tax backfill received in 2024 and reduced assessment rates, the District continues to maintain a strong financial position. In response to projected long-term revenue constraints, further assessment rate reductions, and increasing service demands, District voters approved a 3.000 mill levy increase on November 4, 2025. Effective for property taxes collected beginning in 2026, this increase is expected to provide a critical and sustainable funding source to support operations, maintain service levels, and fund long-term capital investment.

Long-Term Financial Planning and Relevant Policies

The District maintains a disciplined and forward-looking approach to financial management to ensure long-term financial sustainability in an environment of moderating revenue growth and increasing service demands. As part of this approach, the District develops a ten-year financial forecast that projects revenues, expenditures, and capital needs, and updates this plan annually as part of the budget process.

Maintaining adequate reserves is a core financial management strategy. District policy requires a 3% TABOR reserve in compliance with state law, a 20% operating reserve to support financial stability, and dedicated capital reserves to fund planned infrastructure and equipment investments.

To ensure consistent investment in capital assets, the District has established a structured funding approach through annual transfers from the General Fund to the Capital Projects Fund. The Board of Directors has designated structured annual transfers of \$15 million in 2025, \$39 million in 2026, and \$26 million annually beginning in 2027 to support the District's Capital Improvement Plan and ensure the long-term replacement of critical

infrastructure and assets. The District is also advancing its long-term capital planning efforts by developing a lifecycle-based capital plan that is designed to replace major assets, including fire stations, over an extended planning horizon exceeding 80 years. This approach strengthens the District's ability to anticipate future capital needs and align funding strategies accordingly.

In addition, the District initiated the development of a comprehensive strategic plan in 2025, which was completed in March 2026. This plan will guide future decisions related to service levels, resource allocation, and capital investment, and will establish a structured framework for prioritization, Board review, and enhanced transparency.

The District also maintains sufficient reserves within its self-insurance fund to manage cash flow requirements, absorb unexpected claims, and stabilize insurance-related costs over time.

Major Initiatives

South Metro Fire Rescue continues to advance initiatives that strengthen operational readiness, enhance firefighter safety, and support long-term service delivery. In 2025, the District began implementing the initial phases of a more structured strategic planning approach to better align service levels, resource allocation, and long-term capital needs.

The District has made significant progress in aligning its organizational structure and staffing model to meet growing service demands.

In 2025, the District continued execution of its capital improvement program with the replacement of seven apparatus units, including four fire engines, two dive units, and one Battalion Chief vehicle. Additional investments included upgrades to security systems across all stations and administrative facilities, as well as the replacement of key technology and equipment, including core server infrastructure and self-contained breathing apparatus (SCBA). These investments are intended to enhance operational reliability, improve firefighter safety, and ensure the continued effectiveness of emergency response systems.

The District remains committed to sustaining its long-term capital investment strategy. In 2025, \$15 million was dedicated to capital improvements, supporting the ongoing replacement of apparatus, equipment, and facilities. These efforts are increasingly

influenced by extended lead times and supply chain constraints, requiring proactive planning and resource allocation. Facility improvements remain a priority, including the completion and opening of Station 15 in April 2025, as well as planned preventative maintenance and interior renovations across multiple stations. Looking ahead, the District has identified the need for two additional station build-outs over the next ten years to support continued growth and service demand.

To support these operational and capital priorities, District voters approved a 3.000 mill levy increase on November 4, 2025. Effective for property taxes collected beginning in 2026, this additional revenue is expected to generate approximately \$50 million annually and will provide a critical funding source to sustain staffing levels, invest in infrastructure and equipment, retain qualified personnel, and enhance firefighter health and wellness programs.

Budget Process

The District's annual budget process is the primary driver of its long-term financial planning and capital investment strategy. The process begins with updating key assumptions related to operational and capital needs, including inflation, contractual obligations, and compensation changes. These inputs are used to develop a ten-year financial outlook that identifies the resources required to maintain a balanced budget and supports the prioritization of operational and capital needs.

Building on this foundation, divisions submit requests for new or expanded resources, which are evaluated within the context of the long-term financial plan and the District's overall priorities. The Finance Division and Executive Team review and refine these requests to ensure alignment with available resources and organizational objectives. The District also utilizes competitive solicitation processes, where appropriate, to promote transparency, ensure cost-effective procurement, and support responsible stewardship of public funds.

The budget development process includes multiple workshops and Board discussions between June and November, providing opportunities for review, refinement, and transparency. The proposed budget is formally presented to the Board of Directors by October 15, followed by a public hearing and final adoption by December 31 in accordance

with statutory requirements. The mill levy is certified to the County Commissioners by December 15. Any revisions to budget appropriations require formal approval by resolution of 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 its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2024. To be eligible for this award, a government must publish a report that is easily readable, efficiently organized, and in full compliance with generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year. The District believes that this report continues to meet the program's requirements and has submitted it to the GFOA for consideration for the current year.

The preparation of this report would not have been possible without the dedication and professionalism of the District's finance staff. We extend our appreciation to all District personnel who contributed to its development, as well as to the Board of Directors for their continued leadership and support in maintaining the highest standards of financial management and reporting.

Respectfully submitted,



John Curtis
Fire Chief



Stephanie Corbo
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

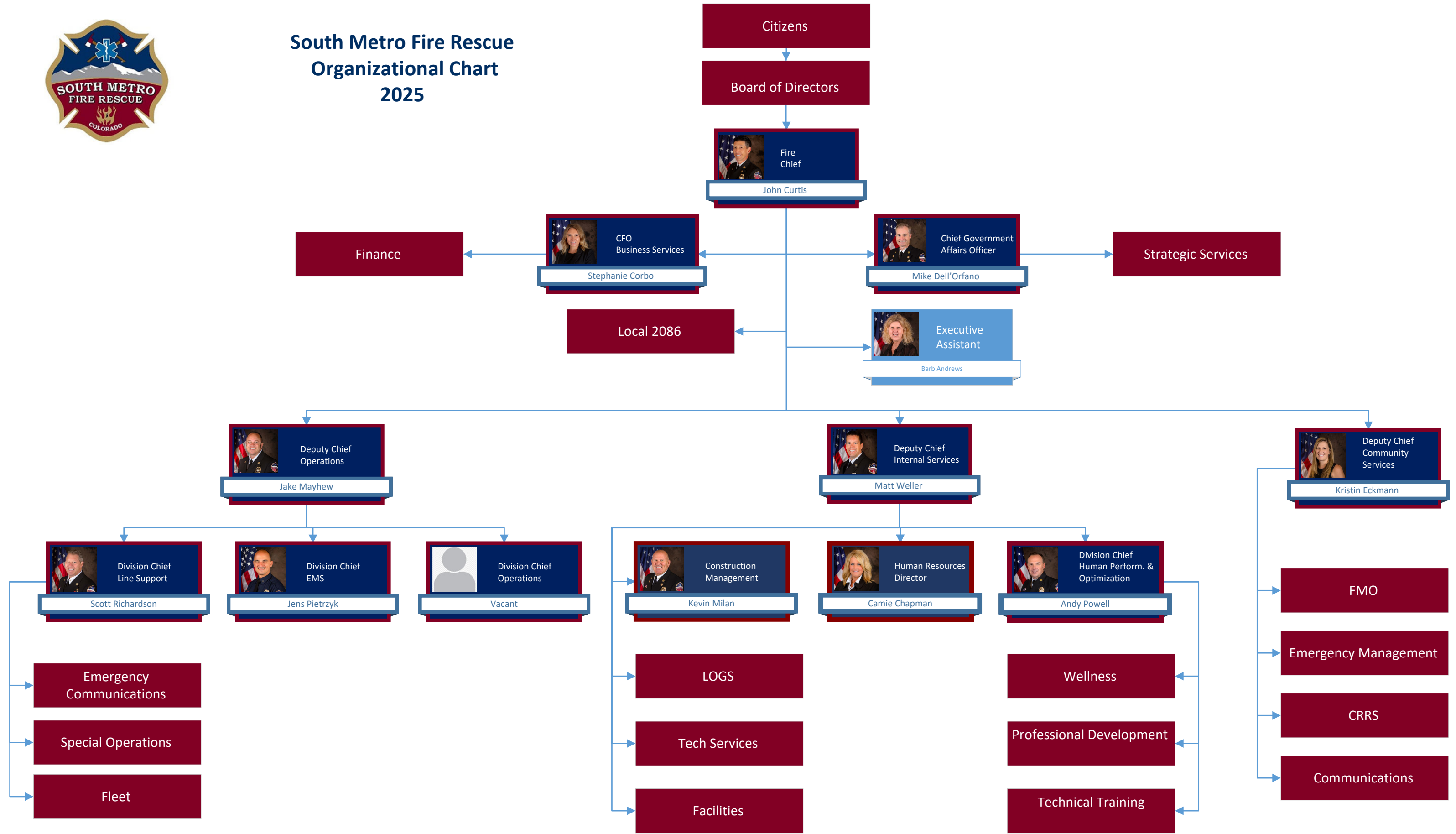
December 31, 2024

Christopher P. Morill

Executive Director/CEO



South Metro Fire Rescue
Organizational Chart
2025



GOVERNANCE

As of December 31, 2025

Elected Officials, Board of Directors

Jim Albee, Chair

Renee Anderson, Vice Chair

William Shriver, Treasurer

Sue Roche, Secretary

Kevin Leung, Director

Rich Sokol, Director

Phil McCart, Director

Executive Team

John Curtis, Fire Chief

Jake Mayhew, Deputy Chief of Operations

Kristin Eckmann, Deputy Chief of Community Services

Matt Weller, Deputy Chief of Internal Services

Camie Chapman, Human Resources Director

Mike Dell'Orfano, Chief Government Affairs Officer

Stephanie Corbo, 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, 2025, 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 (the District), as of December 31, 2025, 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 GAAS, 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 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, 2025 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 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 GAAS. In our opinion, the comparative fund financial statements and other schedules for the year ended December 31, 2025 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the District as of and for the year ended December 31, 2024 (not presented herein), and have issued our report thereon dated June 24, 2025 which contained 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 comparative fund financial statements and other schedules for the year ended December 31, 2024 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 relate directly to the underlying accounting and other records used to prepare the 2024 financial statements.

The information was subjected to the audit procedures applied in the audit of the 2024 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with GAAS. 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, 2024.

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 5, 2026, 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 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 Mazars, LLP

Denver, Colorado

June 5, 2026

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, 2025. 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 one through nine of this report.

Financial Highlights

- The total assets and deferred outflows of South Metro Fire Rescue exceeded its liabilities and deferred inflows of resources by \$161,218,655. Of this amount \$59,418,871 is available to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$4,955,992 in 2025. This increase was primarily driven by a \$57.3 million growth in current and other assets, particularly due to higher cash and property tax receivables, along with a \$1.9 million reduction in total liabilities. These positive factors were partially offset by a significant \$50.4 million increase in deferred inflows of resources, largely attributable to property tax revenues recognized for future periods.
- The District's total liabilities and deferred inflows of resources are \$257,251,150, representing an increase of \$48,488,466 or 23.2% from 2024. This change is primarily attributable to a \$48.6 million increase in deferred inflows of resources related to property taxes, which is expected to be collected in the subsequent fiscal year. The increase is driven by voter approval on November 4, 2025, of an additional 3.000 mills of property tax revenue beginning in fiscal year 2026.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$91,226,644.

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 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 30 - 31 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 32 – 35 of this report.

Proprietary Funds. The District maintained two proprietary funds in 2025 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 and dental premiums to pay medical and dental 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 36-38 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 39-86 of this report.

Supplemental 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 pages 88-107 of this report.

Government-Wide Financial Analysis

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 \$161,218,655 at the close of the most recent fiscal year.

A portion of the District's net position reflects its investment in capital assets (i.e., land, buildings, vehicles, equipment, lease and subscription assets); 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 assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities 2025	Business-Type Activities 2025	Total 2025	Governmental Activities 2024	Business-Type Activities 2024	Total 2024
Current and other assets	\$ 310,230,133	\$ 1,317,469	\$311,547,602	\$ 252,366,489	\$ 1,833,648	\$ 254,200,137
Capital assets, net	89,259,603	4,916,871	94,176,474	91,021,707	5,091,769	96,113,476
Total assets	399,489,736	6,234,340	405,724,076	343,388,196	6,925,417	350,313,613
Total deferred outflows of resources	12,745,729	—	12,745,729	14,711,734	—	14,711,734
Current and other liabilities	16,855,146	85,375	16,940,521	16,812,288	65,478	16,877,766
Noncurrent and other liabilities	28,912,309	—	28,912,309	30,839,340	—	30,839,340
Total liabilities	45,767,455	85,375	45,852,830	47,651,628	65,478	47,717,106
Total deferred inflows of resources	210,562,789	835,531	211,398,320	159,741,242	1,304,336	161,045,578
Net position:						
Net investments in capital assets	85,883,121	4,916,871	90,799,992	85,092,014	5,091,769	90,183,783
Restricted	10,999,792	—	10,999,792	9,877,729	—	9,877,729
Unrestricted	59,022,308	396,563	59,418,871	55,737,317	463,834	56,201,151
Total net position	\$ 155,905,221	\$ 5,313,434	\$161,218,655	\$ 150,707,060	\$ 5,555,603	\$ 156,262,663

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 increased by \$4,955,992. This change was largely attributable to a \$57.3 million increase in current and other assets, driven primarily by growth in property tax receivables and related cash collections. In addition, total liabilities decreased by \$1.9 million. These improvements were partially offset by a \$50.4 million increase in deferred inflows of resources, reflecting property tax revenues that will be recognized in future periods.

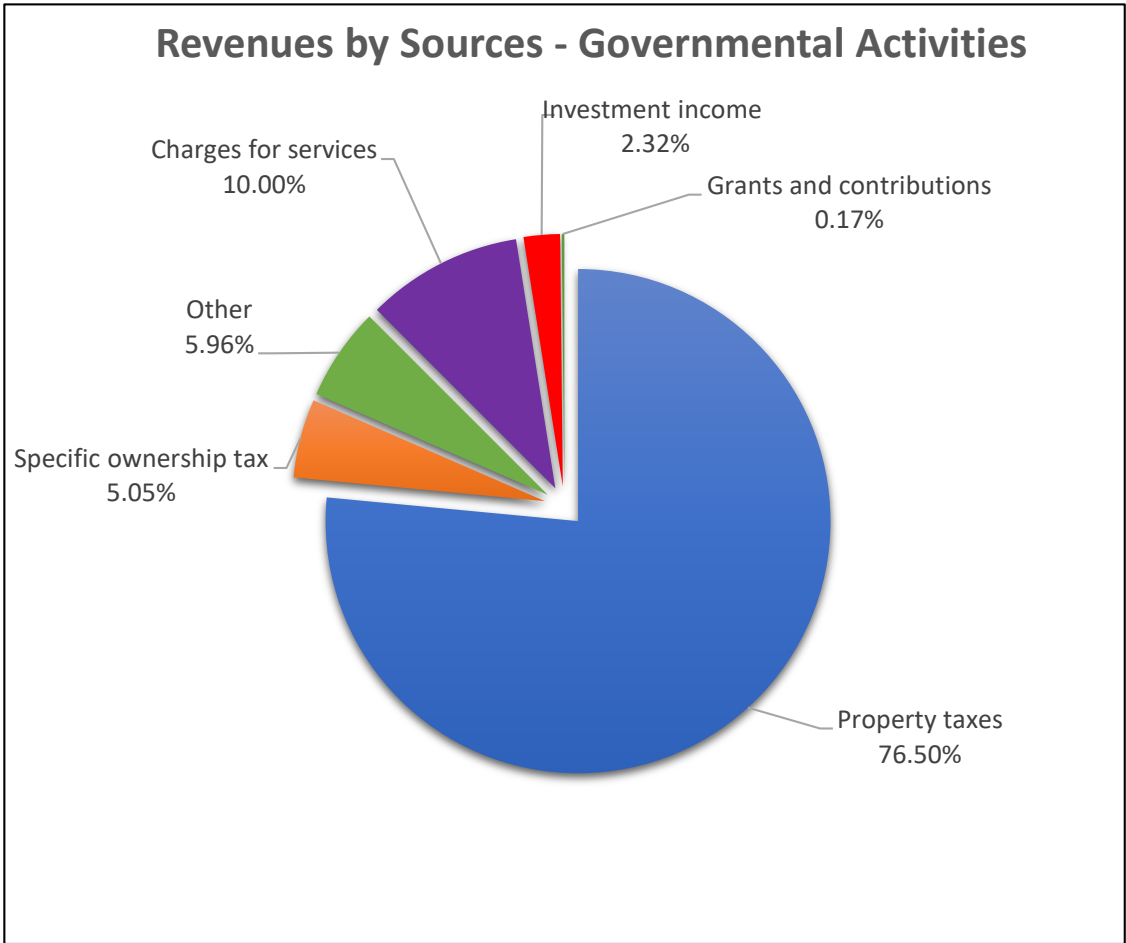
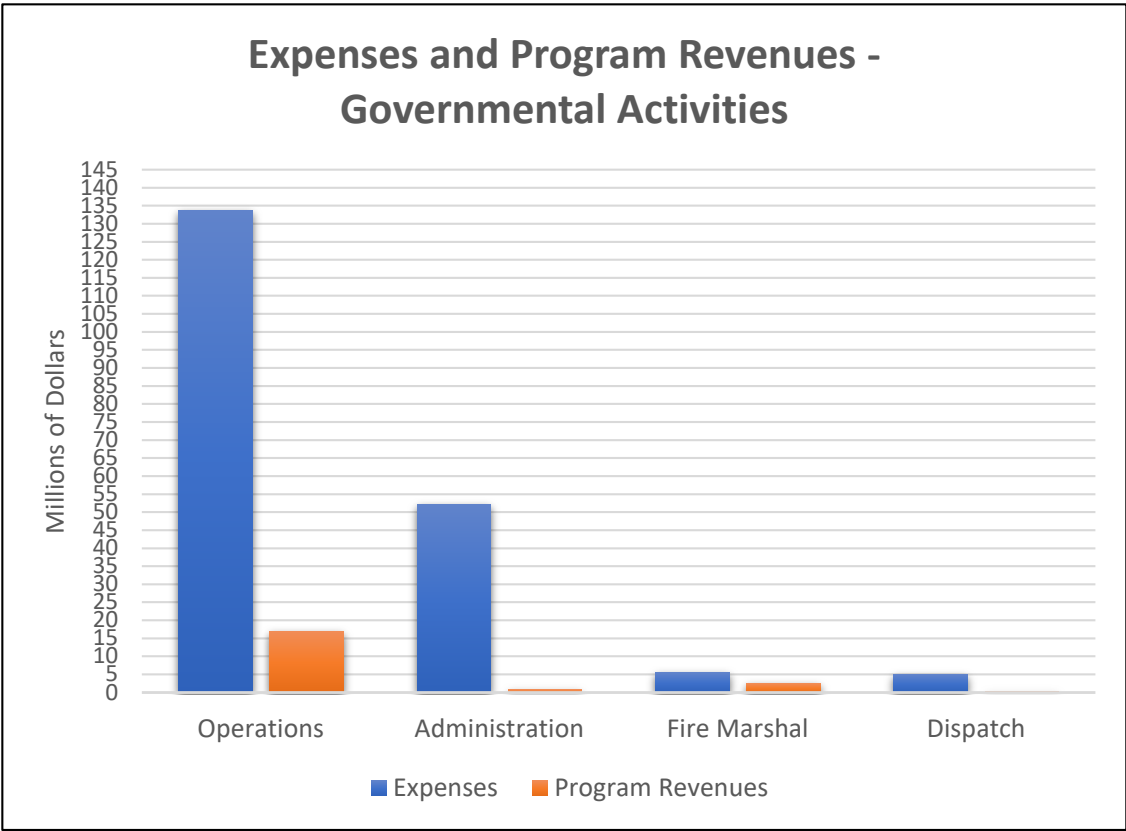
Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains the requirement of setting an emergency reserve. This reserve may only be used for emergencies as defined under the Taxpayer's Bill of Rights (TABOR). This reserve amounts to \$5,940,875 as of December 31, 2025.

Governmental Activities. Governmental activities increased South Metro Fire Rescue Fire Protection District's net position by \$5,198,161. Key elements of this increase are as follows:

- Revenues totaled \$201,915,176, a decrease of \$7,385,939 compared to the prior year. This decline is primarily attributable to an approximate \$9.2 million reduction in property and other tax revenues. The decrease in property tax revenue is largely due to \$11.6 million in one-time property tax backfill revenue received in 2024 that did not recur in 2025. Excluding this backfill amount, property tax collections increased by approximately \$2.4 million, or 1.56%, over the prior year. At the same time, charges for services and other income both increased by approximately \$1.3 million and \$1.2 million, respectively. Lastly, total grants and contributions decreased by approximately \$663 thousand.

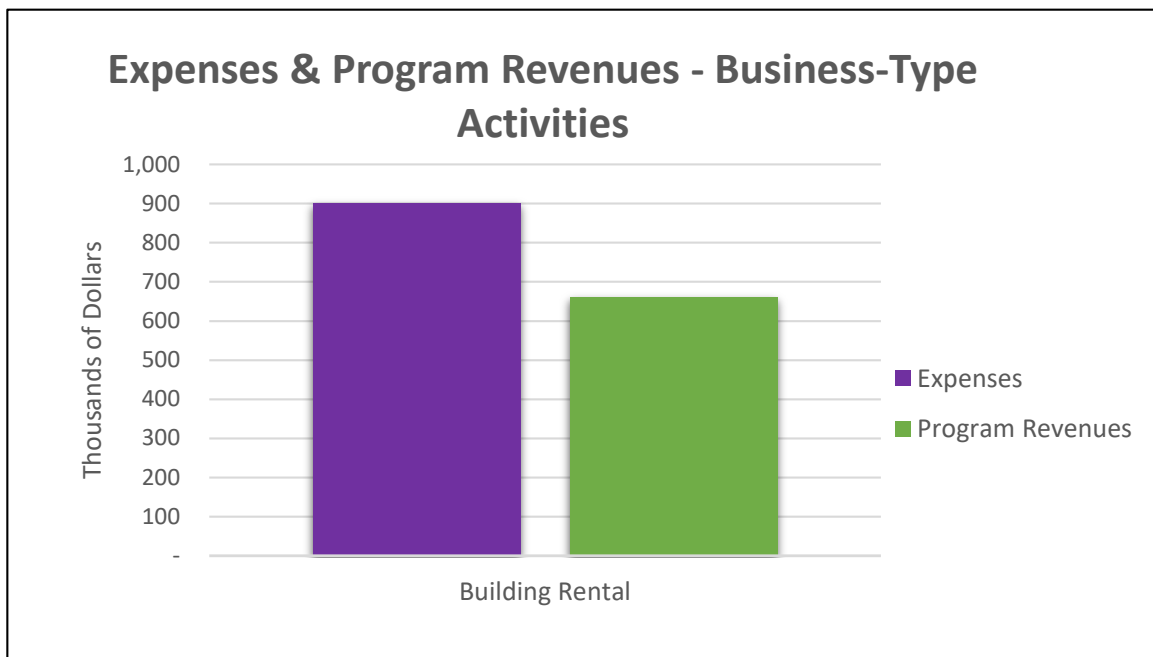
- Expenses totaled \$196,717,015, representing an increase of approximately \$13.8 million over the prior year. Of this increase, \$10.2 million is primarily attributable to higher personnel costs, including increased base salaries for firefighter personnel, the addition of longevity pay, and annual staff salary adjustments. The firefighter salary changes were driven by a labor union agreement that became effective in 2025. Partially offsetting these increases, the District expended approximately \$1.7 million less on supplies and services compared to the prior year.

	Governmental Activities 2025	Business-Type Activities 2025	Total 2025	Governmental Activities 2024	Business-Type Activities 2024	Total 2024
Revenues:						
Program revenues:						
Charges for services	\$ 20,195,137	\$ 660,101	\$ 20,855,238	\$ 18,883,529	\$ 650,362	\$ 19,533,891
Operating Grants and Contributions	281,339	—	281,339	629,830	—	629,830
Capital Grants and Contributions	55,686	—	55,686	370,889	—	370,889
General revenues:						
Property and other taxes	165,646,954	—	165,646,954	174,292,173	—	174,292,173
Other income	15,736,060	—	15,736,060	15,124,694	—	15,124,694
Total revenues	201,915,176	660,101	202,575,277	209,301,115	650,362	209,951,477
Expenses:						
Operations	133,692,502	—	133,692,502	121,239,386	—	121,239,386
Administration	52,253,544	—	52,253,544	50,706,031	—	50,706,031
Fire Marshal	5,641,641	—	5,641,641	5,906,884	—	5,906,884
Dispatch	5,129,328	—	5,129,328	5,038,002	—	5,038,002
Rental building	—	902,270	902,270	—	906,406	906,406
Total expenses	196,717,015	902,270	197,619,285	182,890,303	906,406	183,796,709
Increase (decrease) in net position	5,198,161	(242,169)	4,955,992	26,410,812	(256,044)	26,154,768
Net position - beginning	150,707,060	5,555,603	156,262,663	124,296,248	5,811,647	130,107,895
Net position - ending	\$ 155,905,221	\$5,313,434	\$161,218,655	\$150,707,060	\$5,555,603	\$156,262,663



Business-Type Activities. Business-type activities decreased the District’s net position by \$242,169. This decline was primarily driven by a \$691 thousand reduction in total assets, largely attributable to capital asset depreciation and a decrease in lease receivables. These decreases were partially offset by reductions in liabilities and deferred inflows of resources, including a \$20 thousand decrease in accounts payable and a \$469 thousand decrease in deferred inflows related to lease obligations.

Rental revenue, previously reported within operating grants and contributions, is now classified as charges for services to better reflect the nature of rental income. On a comparable basis, rental revenue increased approximately \$10 thousand from the prior year.



Financial Analysis of the Government’s Funds

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

As of the end of the current fiscal year, the District's governmental funds reported combined fund balances of \$91,226,644, an increase of \$9,683,942 from the beginning of the year. Of this total, \$46,314,356 is reported as unassigned fund balance and is maintained as an operating reserve intended to be used in limited circumstances. The TABOR emergency reserve of \$5,940,875 is legally restricted. Amounts classified as nonspendable, along with amounts restricted for pension payments, excise tax revenue, and JACC projects, are not available for spending by the District.

The General Fund is the principal operating fund of the District. At the end of the current fiscal year, total fund balance was \$56,233,744, representing approximately 31% of total General Fund expenditures.

The General Fund reported an increase in fund balance of \$1,378,919 in 2025. Revenues exceeded expenditures by \$15.6 million, reflecting strong performance in charges for services and investment income. Property tax revenue declined year over year due to a one-time backfill recognized in 2024 and reduced assessment rates. The resulting surplus was largely offset by \$15.0 million in transfers to other funds to support capital and operational needs.

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 \$396,563, which decreased by \$67,271 from the prior year.

The Self-Insured Internal Service Fund reported a positive unrestricted net position of \$3,821,085, a decrease of \$215,784 from the prior year. Revenues declined by approximately \$1.7 million, primarily due to reduced medical premiums associated with staff vacancies and a decrease in the Cigna rebate, partially offset by increased pharmacy rebates.

Expenditures decreased by approximately \$612 thousand, driven by lower medical claims, partially offset by increases in dental claims and Health Savings Account (HSA) expenses.

Capital, Lease and Subscription Assets and Debt Administration

Capital, Lease and Subscription Assets. The District's investment in capital, lease, and subscription assets for its governmental and business type activities as of December 31,

2025 amounts to \$94,176,474 (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings, vehicles, equipment, lease, and subscription assets. Notes 4 and 6 give more details related to capital, lease, and subscription assets.

	Governmental Activities	Business Type Activities	Total	Governmental Activities	Business Type Activities	Total
	2025	2025	2025	2024	2024	2024
Land	\$ 6,406,796	\$ 2,598,566	\$ 9,005,362	\$ 6,406,796	\$ 2,598,566	\$ 9,005,362
Buildings	55,622,096	2,205,114	57,827,210	46,820,401	2,238,792	49,059,193
Vehicles	15,957,160	—	15,957,160	14,336,148	—	14,336,148
Equipment	8,616,972	113,191	8,730,163	10,266,283	168,868	10,435,151
Construction in progress	192,955	—	192,955	9,796,771	85,543	9,882,314
Lease assets	1,385,002	—	1,385,002	2,040,737	—	2,040,737
Subscription assets	1,078,622	—	1,078,622	1,354,571	—	1,354,571
Total	\$89,259,603	\$4,916,871	\$ 94,176,474	\$ 91,021,707	\$ 5,091,769	\$ 96,113,476

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 or 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 general obligation debt.

The District's long-term liabilities decreased by \$1,573,335 during the current fiscal year. This decrease was primarily driven by reductions in OPEB Retiree Health Savings (RHS) liability of \$1,355,440, lease liabilities of \$643,326, and subscription liabilities of \$509,515. These decreases were partially offset by an increase in compensated absences of \$906,005.

Additional information on the District's long-term obligations can be found in Notes 7 and 8.

	Governmental Activities	Business Type Activities	Total	Governmental Activities	Business Type Activities	Total
	2025	2025	2025	2024	2024	2024
Compensated absences	\$ 12,037,507	\$ —	\$ 12,037,507	\$ 11,131,502	\$ —	\$ 11,131,502
Net pension liability	3,106,755	—	3,106,755	3,077,814	—	3,077,814
Lease liability	1,492,725	—	1,492,725	2,136,051	—	2,136,051
Subscription liability	1,108,611	—	1,108,611	1,618,126	—	1,618,126
OPEB RHS liability	17,780,133	—	17,780,133	19,135,573	—	19,135,573
	\$ 35,525,731	\$ —	\$ 35,525,731	\$ 37,099,066	\$ —	\$ 37,099,066

Economic Factors and Next Year's Budgets

The District continues to experience cost increases driven by inflationary pressures, particularly in personnel, operations, and capital needs. While the local economy remains stable overall, potential fluctuations in real estate values driven by elevated interest rates and broader economic conditions present ongoing considerations for future revenue growth.

Property tax revenue declined in 2025 compared to the prior year, primarily due to a one-time property tax backfill recognized in 2024. In addition, recent legislative changes in the State of Colorado have reduced residential and commercial assessment rates, which are expected to constrain future property tax revenue growth. These factors, combined with continued legislative activity related to property taxation, introduce additional uncertainty into the District's long-term revenue outlook.

To address these anticipated revenue constraints, the District's voters approved a 3.000 mill levy increase, which will generate additional revenue beginning in 2026 and help sustain service levels. The District will continue to closely monitor economic conditions, legislative developments, and revenue trends as part of its ongoing budget and financial planning processes.

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, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 82,367,240	\$ 451,456	\$ 82,818,696
Cash and investments - restricted	7,394,516	—	7,394,516
Receivables (net of allowance for uncollectable)	11,432,293	—	11,432,293
Interest receivable	174,043	—	174,043
Property taxes receivable	204,229,752	—	204,229,752
Prepays	2,503,746	—	2,503,746
Inventories	1,406,642	—	1,406,642
Lease receivable	678,393	866,013	1,544,406
Net pension asset	43,508	—	43,508
Capital assets, not being depreciated:			
Land	6,406,796	2,598,566	9,005,362
Construction in progress	192,955	—	192,955
Capital assets (net of accumulated depreciation):			
Building	55,622,096	2,205,114	57,827,210
Vehicles	15,957,160	—	15,957,160
Equipment	8,616,972	113,191	8,730,163
Lease assets, net of amortization	1,385,002	—	1,385,002
Subscription assets, net of amortization	1,078,622	—	1,078,622
Total capital, lease and subscription assets	89,259,603	4,916,871	94,176,474
Total assets	399,489,736	6,234,340	405,724,076
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	12,303,831	—	12,303,831
Deferred outflows related to OPEB RHS	441,898	—	441,898
Total deferred outflows of resources	12,745,729	—	12,745,729
LIABILITIES			
Accounts and wages payables	8,896,801	44,747	8,941,548
Unearned revenue	54,923	40,628	95,551
Long-term liabilities:			
Due within one year			
Compensated absences	4,140,098	—	4,140,098
Dental IBNR liability	30,000	—	30,000
Medical IBNR liability	1,260,000	—	1,260,000
Lease liability	430,498	—	430,498
Subscription liability	707,658	—	707,658
OPEB RHS liability	1,335,168	—	1,335,168
Due beyond one year			
Compensated absences	7,897,409	—	7,897,409
Net pension liability	3,106,755	—	3,106,755
Lease liability	1,062,227	—	1,062,227
Subscription liability	400,953	—	400,953
OPEB RHS liability	16,444,965	—	16,444,965
Total liabilities	45,767,455	85,375	45,852,830
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax revenue	204,229,752	—	204,229,752
Deferred inflows related to leases	667,420	835,531	1,502,951
Deferred inflows related to pensions	178,640	—	178,640
Deferred inflows related to OPEB RHS	5,486,977	—	5,486,977
Total deferred inflows of resources	210,562,789	835,531	211,398,320
NET POSITION			
Net investment in capital assets	85,883,121	4,916,871	90,799,992
Restricted:			
Emergency reserve (TABOR)	5,940,875	—	5,940,875
Pension funds	1,455,373	—	1,455,373
Net pension asset	43,508	—	43,508
Excise tax revenue	3,560,036	—	3,560,036
Unrestricted	59,022,308	396,563	59,418,871
Total net position	\$ 155,905,221	\$ 5,313,434	\$ 161,218,655

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, 2025

	Program Revenues				Net (Expenses) Revenue & Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
FUNCTIONS/PROGRAMS							
Governmental activities							
Operations	\$ (133,692,502)	\$ 16,864,655	\$ —	\$ —	\$ (116,827,847)	\$ —	\$ (116,827,847)
Administration	(52,253,544)	620,396	184,034	—	(51,449,114)	—	(51,449,114)
Fire Marshal	(5,641,641)	2,557,747	—	—	(3,083,894)	—	(3,083,894)
Dispatch	(5,129,328)	152,339	97,305	55,686	(4,823,998)	—	(4,823,998)
Total governmental activities	(196,717,015)	20,195,137	281,339	55,686	(176,184,853)	—	(176,184,853)
Business-type activities:							
Building lease revenue	(902,270)	660,101	—	—	—	(242,169)	(242,169)
Total business-type activities	(902,270)	660,101	—	—	—	(242,169)	(242,169)
Total government	\$ (197,619,285)	\$ 20,855,238	\$ 281,339	\$ 55,686	(176,184,853)	(242,169)	(176,427,022)
General revenues							
Property taxes					154,448,572	—	154,448,572
Specific ownership tax					10,203,997	—	10,203,997
Excise taxes					994,385	—	994,385
Medicaid supplemental fee					7,020,710	—	7,020,710
Investment income					4,690,902	—	4,690,902
Intergovernmental and other reimbursements					3,389,774	—	3,389,774
Miscellaneous income					285,897	—	285,897
Gain on sale of assets					348,777	—	348,777
Total general revenues					181,383,014	—	181,383,014
Change in net position					5,198,161	(242,169)	4,955,992
Net position - beginning of year					150,707,060	5,555,603	156,262,663
Net position - end of year					\$ 155,905,221	\$ 5,313,434	\$ 161,218,655

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

SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General Fund	Capital Projects Fund	Non Major - Cherry Hills Property Tax Special Revenue Fund	Total Governmental Funds
ASSETS				
Cash and investments	\$ 42,464,417	\$ 34,125,342	\$ —	\$ 76,589,759
Cash and investments - restricted	5,940,875	—	1,453,641	7,394,516
Accounts receivable, net	11,227,104	168,147	1,732	11,396,983
Lease receivable	678,393	—	—	678,393
Interest receivable	174,043	—	—	174,043
Property taxes receivable	203,856,720	—	373,032	204,229,752
Prepays	2,454,100	19,184	—	2,473,284
Inventories	1,406,642	—	—	1,406,642
Total assets	<u>\$ 268,202,294</u>	<u>\$ 34,312,673</u>	<u>\$ 1,828,405</u>	<u>\$ 304,343,372</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued liabilities	\$ 1,712,945	\$ 775,146	\$ —	\$ 2,488,091
Accrued wages	5,676,542	—	—	5,676,542
Unearned revenue	54,923	—	—	54,923
Total liabilities	<u>7,444,410</u>	<u>775,146</u>	<u>—</u>	<u>8,219,556</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow related to leases	667,420	—	—	667,420
Unavailable property tax revenue	203,856,720	—	373,032	204,229,752
Total deferred inflows of resources	<u>204,524,140</u>	<u>—</u>	<u>373,032</u>	<u>204,897,172</u>
FUND BALANCES				
Non-spendable:				
Inventory	1,406,642	—	—	1,406,642
Prepays	2,454,100	19,184	—	2,473,284
Restricted:				
Emergency reserve	5,940,875	—	—	5,940,875
Pension funds	—	—	1,455,373	1,455,373
Excise tax revenue	—	3,560,036	—	3,560,036
JACC projects	117,771	—	—	117,771
Committed:				
Capital Projects Reserve	—	29,958,307	—	29,958,307
Unassigned:	46,314,356	—	—	46,314,356
Total fund balance	<u>56,233,744</u>	<u>33,537,527</u>	<u>1,455,373</u>	<u>91,226,644</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 268,202,294</u>	<u>\$ 34,312,673</u>	<u>\$ 1,828,405</u>	<u>\$ 304,343,372</u>

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

**SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
RECONCILIATION OF THE BALANCE SHEET –
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2025**

Total Governmental fund balances	91,226,644
Amounts reported for governmental activities in the statement of net position are different because:	
Capital, lease and subscription assets used in governmental activities are not financial resources, and therefore are not reported in the funds	89,259,603
The net pension asset is not available to pay current period expenditures and, therefore, is not recorded in the funds	43,508
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	12,303,831
Deferred outflows related to OPEB RHS	441,898
Deferred inflows related to pensions	(178,640)
Deferred inflows related to OPEB RHS	(5,486,977)
Long term liabilities that are not due and payable in the current period and therefore are not reported in these funds:	
Compensated absences	(12,037,507)
Lease liability	(1,492,725)
Net pension liability	(3,106,755)
OPEB RHS liability	(17,780,133)
Subscription assets liability	(1,108,611)
Internal service fund assets and liabilities are reported as governmental-type activities in the statement of net position	3,821,085
Net position of governmental activities	<u><u>\$ 155,905,221</u></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, 2025

	General Fund	Capital Projects Fund	Non Major - Cherry Hills Property Tax Special Revenue Fund	Totals
REVENUES				
Property taxes	\$ 154,077,725	\$ —	\$ 370,847	\$ 154,448,572
Specific ownership taxes	10,183,787	—	20,210	10,203,997
Excise taxes	—	994,385	—	994,385
Grants	184,034	—	—	184,034
Investment income	3,087,945	1,283,286	64,516	4,435,747
Charges for service - transports	16,864,655	—	—	16,864,655
Charges for service - plan review fees	2,557,747	—	—	2,557,747
Medicaid supplemental fee	7,020,710	—	—	7,020,710
Dispatch fees	152,339	—	—	152,339
Intergovernmental and other reimbursements	3,389,774	—	—	3,389,774
Lease rental income	202,579	—	—	202,579
Contribution revenue	97,305	55,686	—	152,991
Miscellaneous revenue	285,897	—	—	285,897
Total revenues	198,104,497	2,333,357	455,573	200,893,427
EXPENDITURES				
Public safety				
Operations	130,164,514	553,727	—	130,718,241
Administration	40,085,708	530,710	222,306	40,838,724
Fire Marshal	5,623,086	—	—	5,623,086
Dispatch	4,329,237	—	—	4,329,237
Debt service lease and subscriptions - principal	1,570,657	—	—	1,570,657
Debt service lease and subscriptions - interest	93,708	—	—	93,708
Capital outlay	649,237	8,177,164	—	8,826,401
Total expenditures	182,516,147	9,261,601	222,306	192,000,054
Excess of Revenues Over (Under) Expenditures	15,588,350	(6,928,244)	233,267	8,893,373
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 and subscriptions issuance	417,817	—	—	417,817
Sale of capital assets	372,752	—	—	372,752
Total other financing sources (uses)	(14,209,431)	15,000,000	—	790,569
Net change in fund balances	1,378,919	8,071,756	233,267	9,683,942
Fund balances - beginning of year	54,854,825	25,465,771	1,222,106	81,542,702
Fund balances - end of year	\$ 56,233,744	\$ 33,537,527	\$ 1,455,373	\$ 91,226,644

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, 2025**

Net change in fund balances - Total Governmental Funds	\$ 9,683,942
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense.

Capital asset additions	8,826,402
Capital asset disposals	(23,975)
Depreciation expense	(9,632,847)
Lease and subscriptions additions	417,817
Lease and subscriptions amortization expense	(1,349,501)

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	(906,005)
Changes in liability, deferred inflow of resources, deferred outflow of resources - pension	(1,856,352)
Change in liability - leases and subscriptions	1,152,841
Changes in liability, deferred inflow of resources, deferred outflow of resources - OPEB RHS	(898,377)

Internal service fund net revenue (expense) is included in the governmental activities.	(215,784)
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Changes in net position of governmental activities	\$ 5,198,161
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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, 2025

	Business Type Activities - Building Rental Fund	Governmental Activities - Self- Insured Internal Service Fund
ASSETS		
Current assets:		
Cash and investments	\$ 451,456	\$ 5,777,481
Receivables (net of allowance for uncollectable)	—	35,310
Lease receivable	866,013	—
Prepays	—	30,462
Total current assets	<u>1,317,469</u>	<u>5,843,253</u>
Capital assets:		
Land	2,598,566	—
Buildings	6,132,019	—
Equipment	370,282	—
Less accumulated depreciation	<u>(4,183,996)</u>	<u>—</u>
Total capital assets (net of accumulated depreciation)	<u>4,916,871</u>	<u>—</u>
Total assets	<u>6,234,340</u>	<u>5,843,253</u>
LIABILITIES		
Current liabilities:		
Accounts payable	44,747	732,168
Unearned revenue	40,628	—
Dental IBNR liability	—	30,000
Medical IBNR liability	—	1,260,000
Total current liabilities	<u>85,375</u>	<u>2,022,168</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to leases	<u>835,531</u>	<u>—</u>
Total deferred inflows of resources	<u>835,531</u>	<u>—</u>
NET POSITION		
Net investment in capital assets	4,916,871	—
Unrestricted	396,563	3,821,085
Total net position	<u>\$ 5,313,434</u>	<u>\$ 3,821,085</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, 2025

	Business Type Activities - Building Rental Fund	Governmental Activities - Self-Insured Internal Service Fund
OPERATING REVENUES		
Charges for services:		
Lease and non-lease component revenue	\$ 656,041	\$ —
Lease interest income	4,060	—
Medical and dental premiums	—	16,757,206
Total operating revenues	<u>660,101</u>	<u>16,757,206</u>
OPERATING EXPENSES		
Building and grounds maintenance	617,434	—
Depreciation	284,836	—
Medical and Dental	—	18,654,745
Total operating expenses	<u>902,270</u>	<u>18,654,745</u>
Operating loss	<u>(242,169)</u>	<u>(1,897,539)</u>
NONOPERATING INCOME		
Investment income	—	255,152
Miscellaneous	—	1,355,945
Stop loss refunds	—	70,658
Total nonoperating income	<u>—</u>	<u>1,681,755</u>
Change in net position	(242,169)	(215,784)
Net position - beginning of year	<u>5,555,603</u>	<u>4,036,869</u>
Total net position - end of year	<u>\$ 5,313,434</u>	<u>\$ 3,821,085</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, 2025

	Business Type Activities - Building Rental Fund	Governmental Activities - Self- Insured Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 690,271	\$ —
Receipts from interfund services provided	—	16,757,206
Payments for interfund services provided	—	(18,640,703)
Payments to suppliers	(597,537)	—
Stop loss refunds	—	70,658
Miscellaneous	—	1,355,945
	<u>92,734</u>	<u>(456,894)</u>
Net cash provided (used) by operating activities		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital purchases	(109,938)	—
Net cash (used) by capital and related financing activities	<u>(109,938)</u>	<u>—</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	—	255,152
Net cash provided by investing activities	<u>—</u>	<u>255,152</u>
Net decrease in cash and cash equivalents	(17,204)	(201,742)
Cash and cash equivalents, January 1	468,660	5,979,223
Cash and cash equivalents, December 31	<u>\$ 451,456</u>	<u>\$ 5,777,481</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:		
Operating loss	\$ (242,169)	\$ (1,897,539)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation expense	284,836	—
Nonoperating revenues	—	1,426,603
Increase in:		
Accounts payable	—	58,149
Accounts receivable and lease receivable	498,975	—
Unearned revenue	40,628	—
Decrease in:		
Accounts payable	(20,731)	—
Accounts receivable	—	(13,645)
Deferred inflows related to leases	(468,805)	—
Prepays	—	(30,462)
Total adjustments	<u>334,903</u>	<u>1,440,645</u>
Net cash provided by operating activities	<u>\$ 92,734</u>	<u>\$ (456,894)</u>
Reconciliation of cash and cash equivalents to statement of net position:		
Unrestricted cash and cash equivalents	\$ 451,456	\$ 5,777,481
Total cash and investments	<u>\$ 451,456</u>	<u>\$ 5,777,481</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, 2025

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, excluding emergency medical service fees, intergovernmental and other reimbursement revenues, to be available if they are collected within 60 days following the end of the current fiscal period. Emergency medical service fees, intergovernmental and other reimbursement revenues 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, apparatus and equipment (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 and dental premiums. The funds are used to pay for medical and dental 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, Lease and Subscription Assets

Capital, lease, and subscription assets, which include property, equipment, infrastructure assets and software are reported in the applicable governmental or business type activities columns in the government-wide financial statements. Capital, lease, and subscription assets are defined by the District as assets with an initial, individual cost of more than \$10,000 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. Intangible assets follow the same capitalization policies as tangible assets and are reported in the appropriate capital asset class.

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 and Subscription Assets	*

*The shorter of the lease/subscription 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 liability is accrued for compensated absences as the benefits are earned if the leave is more likely than not to be used for time off or settled in cash.

Compensated absence liabilities are computed using the regular pay and termination pay rates, as applicable, in effect at the balance sheet date plus an additional amount for salary-related payments such as Medicare taxes computed using rates in effect at that date. The estimated compensated absences liability expected to be paid more than one year after the balance sheet date is included in other long-term liabilities.

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. The District also collects Excise Taxes from the Town of Parker through an agreement entered into in 2019 for newly constructed residential and nonresidential buildings.

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 \$20,000. Items less than \$20,000 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 two items that qualify for reporting in this category which are shown as pension and OPEB. Pension-related amounts include 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 for additional information.

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 inflow 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 assets consists of capital, lease and subscription assets net of accumulated depreciation and amortization and reduced by the outstanding balances of borrowings used to finance the purchase, use, or construction 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.

Implementation of New Accounting Standard

In 2025, the District implemented GASB Statement No. 102 *Certain Risk Disclosures*. This statement requires governments to disclose risks related to vulnerabilities due to certain concentrations or constraints. The implementation of this statement did not have a material impact on the District's financial statements.

NOTE 2 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2025 are as follow:

Cash and Investments	Governmental Activities	Business-Type Activities	Total
Cash and cash equivalents	\$ 65,627,504	\$ 451,456	\$ 66,078,960
Investments	16,739,736	-	16,739,736
Restricted investments	7,394,516	-	7,394,516
Total cash and investments	\$ 89,761,756	\$ 451,456	\$ 90,213,212

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 the Federal Deposit Insurance Corporation (FDIC) insurance of \$250,000.

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.

In 2025, the District transferred certain cash deposits from Citibank to JPMorgan Chase Bank. As of December 31, 2025, all the District's deposits are held in Colorado Qualified

Public Depositories (QPDs) and are protected in accordance with the Colorado Public Deposit Protection Act (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 an asset management firm Chandler Asset Management (Chandler). 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); 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.

As of December 31, 2025, the District's investments are measured at fair value using Level 2 inputs only. The District does not hold investments classified as Level 1 (quoted prices in active markets) or Level 3 (significant unobservable inputs).

<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**	\$ -	\$ -	\$ -	\$ 62,901,664	\$ 62,901,664
Chandler	-	24,040,950	-	-	24,040,950
Total*	\$ -	\$ 24,040,950	\$ -	\$ 62,901,664	\$ 86,942,614

*Money Market Funds of \$93,131 and Cash of \$171 are not categorized within the fair value hierarchy.

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

As of December 31, 2025, 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	\$ 18,491,095	2.75	Aa1/AA+
US Agencies	2,282,792	2.65	Aa1/AA+
Supranational Bonds	1,401,793	0.93	Aaa/AAA
Corporate Bonds	1,644,416	1.41	Aaa/AAA
Municipal Bonds	220,854	1.02	Aa2/AAA
Money Market Fund	93,131	—	Aaa/AAAm
Cash	171	—	—
Total Fair Value	<u>\$ 24,134,252</u>	1.25	

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.

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 certificates of deposits 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. If the District's deposits exceed the amount insured by the FDIC, the excess balance will be transferred to the PDPA public account the following month.

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 \$7.5 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	\$ 11,227,104	\$ 168,147	\$ 1,732	\$ 35,310	\$ 11,432,293
Lease	678,393	—	—	—	678,393
Property taxes receivable	203,856,720	—	373,032	—	204,229,752
Interest	174,043	—	—	—	174,043
Total Receivables	<u>\$ 215,936,260</u>	<u>\$ 168,147</u>	<u>\$ 374,764</u>	<u>\$ 35,310</u>	<u>\$ 216,514,481</u>

	Building Rental Fund	Total Business-Type Funds	Total All Funds
Accounts, net	\$ —	\$ —	\$ 11,432,293
Lease	866,013	866,013	1,544,406
Property taxes receivable	—	—	204,229,752
Interest	—	—	174,043
Total Receivables	<u>\$ 866,013</u>	<u>\$ 866,013</u>	<u>\$ 217,380,494</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	\$ 203,856,720
Cherry Hills Property taxes receivable (Special Revenue Fund)	373,032
	<u>\$ 204,229,752</u>

NOTE 4 - CAPITAL ASSETS

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 6,406,796	\$ —	\$ —	\$ —	\$ 6,406,796
Construction in progress	9,796,771	177,189	(9,781,005)	—	192,955
Total capital assets, not being depreciated	16,203,567	177,189	(9,781,005)	—	6,599,751
Capital assets, being depreciated/amortized:					
Buildings	81,155,281	2,469,308	8,802,690	381,337	92,045,942
Vehicles	51,382,732	4,784,242	978,315	1,291,864	55,853,425
Equipment	24,241,639	1,395,663	—	880,094	24,757,208
Lease assets	4,315,841	—	—	1,584,311	2,731,530
Subscription assets	3,634,954	417,817	—	1,122,596	2,930,175
Total capital assets, being	164,730,447	9,067,030	9,781,005	5,260,202	178,318,280
Less accumulated depreciation/amortization					
Buildings	(34,334,880)	(2,466,167)	—	(377,201)	(36,423,846)
Vehicles	(37,046,584)	(4,141,545)	—	(1,291,864)	(39,896,265)
Equipment	(13,975,356)	(3,025,135)	—	(860,255)	(16,140,236)
Lease assets	(2,275,104)	(655,735)	—	(1,584,311)	(1,346,528)
Subscription assets	(2,280,383)	(693,766)	—	(1,122,596)	(1,851,553)
Total accumulated depreciation/amortization	(89,912,307)	(10,982,348)	—	(5,236,227)	(95,658,428)
Total capital assets, being	74,818,140	(1,915,318)	9,781,005	23,975	82,659,852
Governmental activities capital assets, net	91,021,707	(1,738,129)	—	23,975	89,259,603
Business-type activities:					
Capital assets, not being depreciated:					
Land	2,598,566	—	—	—	2,598,566
Construction in progress	85,543	—	(85,543)	—	—
Total capital assets, not being depreciated	2,684,109	—	—	—	2,598,566
Capital assets, being depreciated:					
Buildings	5,936,538	109,938	85,543	—	6,132,019
Equipment	370,282	—	—	—	370,282
Total capital assets, being depreciated	6,306,820	109,938	—	—	6,502,301
Less accumulated depreciation for:					
Buildings	(3,697,746)	(229,159)	—	—	(3,926,905)
Equipment	(201,414)	(55,677)	—	—	(257,091)
Total accumulated depreciation	(3,899,160)	(284,836)	—	—	(4,183,996)
Total capital assets, being depreciated, net	2,407,660	(174,898)	—	—	2,318,305
Business-type activities capital assets, net	\$ 5,091,769	\$ (174,898)	\$ —	\$ —	\$ 4,916,871

See Note 6 for additional information on lease and subscription assets.

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

Governmental activities:	
Operations	\$ 1,070,178
Administration	9,105,467
Dispatch	806,703
Total depreciation/amortization expense - governmental activities	<u>\$ 10,982,348</u>
Business-type activities:	
Building Rental	<u>\$ 284,836</u>
Total depreciation expense - business-type activities	<u>\$ 284,836</u>

NOTE 5 - INTERFUND TRANSFERS AND BALANCES

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

Transfers between funds during 2025 were as follows:

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

As of December 31, 2025, the District had no interfund receivable or payable balances.

NOTE 6 – LEASES AND SUBSCRIPTION ASSETS AND LIABILITIES

Lessee

The District leases real estate, copy machines and staff vehicles under annually cancelable leases. The total lease payments in 2025 were \$684,918, including \$643,326, in principal payments and \$41,592 in interest payments.

Lease Assets

Lease asset activity for the year ended December 31, 2025, was as follows:

Lease Assets:	Balance January 1, 2025	Additions	Deletions	Balance December 31, 2025
Vehicles	\$ 2,092,387	\$ -	\$ 1,403,589	\$ 688,798
Real Estate	2,042,732	-	-	2,042,732
Copiers	180,722	-	180,722	-
Total Lease Assets, Being Amortized	4,315,841	-	1,584,311	2,731,530
Less accumulated amortization:				
Vehicles	1,424,581	328,489	1,403,590	349,480
Real Estate	705,229	291,819	-	997,048
Copiers	145,294	35,427	180,721	-
Total Accumulated Amortization:	2,275,104	655,735	1,584,311	1,346,528
Total Lease Assets, Net	\$ 2,040,737	\$ (655,735)	\$ -	\$ 1,385,002

Lease Liabilities

The following is a summary of changes in lease liabilities of the District for the year ended December 31, 2025:

Leases	Balance January 1, 2025	Additions	Deletions	Balance December 31, 2025	Due Within One Year
Vehicles	\$ 683,850	\$ -	\$ 325,323	\$ 358,527	\$ 133,590
Real Estate	1,416,510	-	282,312	1,134,198	296,908
Copiers	35,691	-	35,691	-	-
Total	\$ 2,136,051	\$ -	\$ 643,326	\$ 1,492,725	\$ 430,498

Future Lease Payments

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

<i>Maturity Analysis</i>	Principal	Interest	Total
01/01/2026 - 12/31/2026	\$ 430,498	\$ 30,880	\$ 461,378
01/01/2027 - 12/31/2027	445,040	20,167	465,207
01/01/2028 - 12/31/2028	403,752	9,681	413,433
01/01/2029 - 12/31/2029	213,434	1,379	214,813
Total	\$ 1,492,724	\$ 62,107	\$ 1,554,831

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 2025, total receipts for renting this space were \$202,579. Lease revenue was \$199,514 and lease interest revenue was \$3,065.

Business-Type Activities

The primary function of the building rental fund is the leasing of office space. The District leases a portion of its administrative building, and in 2025 total receipts of renting this space were \$487,539. Lease revenue was \$483,479 and lease interest revenue was \$4,060.

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

<i>Maturity Analysis - Receivables</i>	<u>Payments</u>	<u>Interest</u>	<u>Principal</u>
01/01/2026 - 12/31/2026	\$ 487,541	\$ 2,318	\$ 485,223
01/01/2027 - 12/31/2027	381,382	592	380,790
Total	<u>\$ 868,923</u>	<u>\$ 2,910</u>	<u>\$ 866,013</u>

Subscription Assets

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at or before the commencement of the subscription-based information technology arrangement (SBITA) term, less any SBITA vendor incentives received from the SBITA vendor and certain payments made before the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying IT asset.

Subscription asset activity for the years ended December 31, 2025, was:

Assets:	Balance January 1, 2025	Additions	Deletions	Balance December 31,
Subscription IT assets	\$ 3,634,954	\$ 417,817	\$ 1,122,596	\$ 2,930,175
Total Subscription Assets, Being Amortized	3,634,954	417,817	1,122,596	2,930,175
Less accumulated amortization:				
Subscription IT assets	2,280,383	693,766	1,122,596	1,851,553
Total Accumulated Amortization	2,280,383	693,766	1,122,596	1,851,553
Subscription Assets, Net	\$ 1,354,571	\$ (275,949)	\$ -	\$ 1,078,622

Subscription Liabilities

The District has various subscription-based information technology arrangements (SBITAs), the terms of which expire in various years through 2028. Variable payments of certain subscriptions are based upon the Consumer Price Index (Index). The subscriptions were measured based upon the treasury rate at commencement of the SBITA term. Variable payments based upon the use of the underlying asset are not included in the subscription liability because they are not fixed in substance.

The following is a summary of changes in subscription liabilities of the District for the year ended December 31, 2025:

Liability:	Balance January 1, 2025	Additions	Deletions	Balance December 31, 2025	Due Within One Year
Subscriptions	\$ 1,618,126	\$ 417,817	\$ 927,332	\$ 1,108,611	\$ 707,658
Total	\$ 1,618,126	\$ 417,817	\$ 927,332	\$ 1,108,611	\$ 707,658

During the year ended December 31, 2025, the District recognized \$47,024 of subscription expense for variable payments not previously included in the measurement of the subscription liability.

The following is a schedule by year of payments under the SBITAs as of December 31, 2025:

<i>Maturity Analysis</i>	Principal	Interest	Total
01/01/2026 - 12/31/2026	\$ 707,658	\$ 35,088	\$ 742,746
01/01/2027 - 12/31/2027	371,431	8,726	380,157
01/01/2028 - 12/31/2028	29,523	477	30,000
Total	\$ 1,108,612	\$ 44,291	\$ 1,152,903

Capital, Lease, and Subscription Asset Impairment

The District evaluates capital, lease, and subscription assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital or lease asset has occurred. If a capital, lease, or subscription asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected, accumulated depreciation is increased by the amount of the impairment loss. No asset impairment was recognized during the year ended December 31, 2025.

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, 2025 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due within one year
Governmental Activities:					
Compensated Absences	\$ 11,131,502	\$ 906,005	\$ —	\$ 12,037,507	\$ 4,140,098
Net pension liability	3,077,814	28,941	—	3,106,755	—
Lease liability	2,136,051	—	643,326	1,492,725	430,498
OPEB RHS liability	19,135,573	—	1,355,440	17,780,133	1,335,168
Subscription assets liability	1,618,126	417,817	927,332	1,108,611	707,658
Long-Term Liabilities	<u>\$ 37,099,066</u>	<u>\$ 1,352,763</u>	<u>\$ 2,926,098</u>	<u>\$ 35,525,731</u>	<u>\$ 6,613,422</u>

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

The change in the compensated absences liability is presented as a net change.

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, 2025 are detailed as follows:

The District is subject to four Tax Increment Financing (TIF) under three Urban Renewal Authorities (URA) and one Downtown Development Authority (DDA). The creation of the URA and DDA allows for Tax Increment Financing (TIF) as described under section 31-25-101 of the Colorado Revised Statutes. The three URAs and one DDA have 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.

The three URAs are as follows. The Town of Parker approved the creation of the Parker Authority for Reinvestment 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 City of Castle Pines approved the creation of the Castle Pines Urban Renewal Authority within the District's boundaries with the purpose of revitalizing and redevelop blighted areas of the community. The City of Lone Tree approved the creation of Lone Tree Urban Renewal Authority with the plan to reduce blight and stimulate redevelopment. Finally, the Littleton Downtown Development Authority (DDA) was established to promote economic development and revitalization of the downtown area.

As a result, \$959,108 of property tax revenue was diverted from the District during the year ending December 31, 2025. The total TIF amounts are outlined below:

	Prior Years	2025
Total TIF	\$ 4,130,800	\$ 959,108

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, 2025. 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 and dental 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 and dental premiums. The funds are used to pay for the Stop Loss Insurance, administration fees to the third-party administrator and to medical and dental claims of the insured. IBNR activity for this year and prior year are as follows:

	2025	2024
IBNR liability, beginning of year	\$ 1,276,000	\$ 1,158,000
Current year medical and dental claims incurred and changes in estimates for claims incurred in prior years	16,579,799	17,483,622
Medical and dental claims and expenses paid	(16,565,799)	(17,365,622)
IBNR liability, end of year	<u>\$ 1,290,000</u>	<u>\$ 1,276,000</u>

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.

Related party transactions

In 2025, seven employees were paid a total of \$27,908 for services performed. The services performed were related to landscaping services, embroidery, and leather work for equipment used in the operations.

Additionally, the District conducted transactions totaling \$227,828 with four vendors considered related parties of the District, where an employee or a member of the employee's immediate family either owned the company, was employed by the company, or had an employment relationship with the company. Purchases and services obtained through these vendors primarily related to facilities and operational support, including generator acquisition, repair, and maintenance services, facilities supplies, training video services, and specialized cycle training services. 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, 2025 the District contributed and recognized as expense \$9,561,294 and employees contributed a total of \$9,508,143.

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 \$42,946 were returned to the plan during 2025.

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 Retirement Plan, which is a cost-sharing multiple-employer defined benefit pension plan administered by FPPA. Some of the employees from former Cunningham Fire Protection District and Littleton Fire Rescue

participate in the SRP. The unification with Cunningham Fire Rescue occurred on January 1, 2018 and the unification with Littleton Fire Rescue occurred on January 1, 2019. Employees hired after January 1, 2019 are not eligible to participate in the SRP plan.

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 comprehensive 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	\$ 830,912	\$ —	\$ 231,538	\$ —	\$ 100,523
South Metro Fire Rescue Volunteer Plan	381,050	—	62,936	—	47,765
Cherry Hills Old Hire Plan	1,894,793	—	120,942	—	318,589
South Metro FPPA Plan - SRP	—	(43,508)	3,894,787	178,640	11,836,954
Totals	<u>\$ 3,106,755</u>	<u>\$ (43,508)</u>	<u>\$ 4,310,203</u>	<u>\$ 178,640</u>	<u>\$ 12,303,831</u>

2) Parker Fire Protection District Volunteer Pension Plan

The Pension Fund's Board of Trustees is comprised of the seven Directors of the South Metro Fire Rescue Fire Protection District plus two retired volunteer members of the plan. At December 31, 2024, there are 17 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. Contributions to the volunteer plan from the District were \$87,599 for the year ended December 31, 2025. The latest actuarial study was performed as of January 1, 2025. The next study will be performed January 1, 2027. The actuarial study as of January 2025 has determined the annual contributions for 2026 and 2027 is \$87,599.

The changes in the net pension liability for the measurement period at December 31, 2024 are calculated as follows:

A. Total Pension Liability		
Interest on the Total Pension Liability	\$	59,746
Difference between expected and actual experience of the Total Pension Liability		15,966
Changes of assumptions		161,549
Benefit payments		(104,380)
Net change in total pension liability	\$	132,881
Total pension liability - beginning		904,815
Total pension liability - ending	\$	<u>1,037,696</u>
B. Plan fiduciary net position		
Contributions - employer	\$	87,599
Net investment income		11,141
Benefit payments		(104,380)
Pension plan administrative expense		(6,140)
Net change in plan fiduciary net position	\$	(11,780)
Plan fiduciary net position - beginning (Market value of assets at beginning of year)		<u>218,564</u>
Plan fiduciary net position - ending (Market value of assets at end of year)	\$	<u>206,784</u>
C. Net pension liability	\$	<u>830,912</u>
D. Plan fiduciary net position as a percentage of the total pension liability		
		19.93 %

For the year ended December 31, 2025, the District recognized pension expense of \$231,538. At December 31, 2025, 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	\$ 12,924	\$ —
Contributions subsequent to the measurement date	87,599	—
Total	<u>\$ 100,523</u>	<u>\$ —</u>

Contributions subsequent to the measurement date of December 31, 2024, 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, 2026. 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
2026	\$ 4,435
2027	7,785
2028	29
2029	675
Total	\$ 12,924

Actuarial Assumptions

The total pension liability in the January 1, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment Rate of Return	4.50% per annum
Withdrawal Rate	20% of members age 50 and eligible for a terminated vested benefit which would commence immediately are assumed to withdraw each year.
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	5-Year Smoothed Fair Value
Retirement Age	Age 50 and 20 years of service, 50% per year of eligibility until 100% at age 65.
Administrative Expenses	An explicit administrative expense equal to the average of the actual expenses for the two prior years.
Marital Status	Percent married: 90% male and female Age difference: Males are assumed to be two years older than females
Mortality Tables	Pre-Retirement: Pub-2010 Public Safety Healthy Employee Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale, 60% multiplier. Post-Retirement: Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with the ultimate values of the MP-2020 projection scale. Disabled: Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, set forward five years projected with the MP-2020 Ultimate projection scale, with minimum probability of 3.5% for males and 2.5% for females.
Changes in Actuarial Assumptions	The investment return rate was reduced from 7.0% to 4.5% per annum.

The actuarial assumptions shown above are associated with the Actuarially Determined Contribution for the Fiscal Year Ending December 31, 2024. The actuarial assumptions

were changed for the Actuarial Valuation as of January 1, 2025 and as such, the Total Pension Liability was measured using those assumptions.

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, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return
Liquidity	30.0 %	4.2 %
Fixed income - Rates	45.0 %	4.0 %
Fixed income - Credit	15.0 %	6.5 %
Diversifiers	0.0 %	5.7 %
Long short	0.0 %	6.2 %
Global public equity	10.0 %	7.0 %
Private markets	0.0 %	8.8 %
Total	100.0 %	

Discount Rate

Projected benefit payments are discounted to their actuarial present value using a single discount rate that reflects both the long-term expected rate of return on plan investments and a tax-exempt municipal bond rate. The long-term expected rate of return is applied to periods in which the plan's fiduciary net position is projected to be sufficient to make benefit payments, while the municipal bond rate is applied to periods in which projected fiduciary net position is not expected to be sufficient. The municipal bond rate is based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date.

The long-term expected rate of return on pension plan investments was 4.50%. The municipal bond rate was 4.08%, based on the weekly "State and Local Bonds" rate reported in the Federal Reserve Statistical Release (H.15) nearest to, but not later than, the measurement date. Based on the projected sufficiency of the plan's fiduciary net position, the resulting single discount rate used to measure the total pension liability was 4.50%.

Based on the plan's maturity characteristics, the assets of this plan have been transitioned to FPPA's short-term investment pool. Accordingly, effective with the actuarial valuation dated January 1, 2025, the long-term expected rate of return assumption was revised to 4.50% to reflect this change in investment strategy.

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 4.50%, 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 (3.5%)	Current Discount Rate (4.5%)	1% Increase (5.5%)
Proportion share of the net pension liability	\$ 911,621	\$ 830,912	\$ 760,170

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, 2024 there are 11 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. Contributions to the volunteer plan from the District were \$41,127 for the year ended December 31, 2025. The latest actuarial study was performed as of January 1, 2025. The next study will be performed January 1, 2027. The actuarial study as of January 2025 determines that \$53,729 of contributions are needed annually for the 2026 and 2027 years.

The changes in the net pension liability for the measurement period at December 31, 2024 is calculated as follows:

A. Total Pension Liability		
Interest on the Total Pension Liability	\$	39,967
Difference between expected and actual experience of the Total Pension Liability		(8,345)
Changes of assumption		42,904
Benefit payments		<u>(64,440)</u>
Net change in total pension liability	\$	10,086
Total pension liability - beginning		<u>602,630</u>
Total pension liability - ending	\$	<u><u>612,716</u></u>
B. Plan fiduciary net position		
Contributions - employer	\$	41,127
Net investment income		19,797
Benefit payments		(64,440)
Pension plan administrative expense		<u>(4,263)</u>
Net change in plan fiduciary net position	\$	(7,779)
Plan fiduciary net position - beginning (Market value of assets at beginning of year)		<u>239,445</u>
Plan fiduciary net position - ending (Market value of assets at end of year)	\$	<u><u>231,666</u></u>
C. Net pension liability	\$	<u><u>381,050</u></u>
D. Plan fiduciary net position as a percentage of the total pension liability		37.81 %

For the year ended December 31, 2025, the District recognized pension expense of \$62,936. At December 31, 2025, 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	\$ 6,638	\$ —
Contributions subsequent to the measurement date	41,127	—
Total	<u>\$ 47,765</u>	<u>\$ —</u>

Contributions subsequent to the measurement date of December 31, 2024, 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, 2026. 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
2026	\$ 2,607
2027	6,600
2028	(1,772)
2029	(797)
Total	\$ 6,638

Actuarial Assumptions

The total pension liability in the January 1, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment Rate of Return	6.00% per annum
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	5-Year smoothed fair value
Retirement Age	Age 50 and 20 years of service, 50% per year of eligibility until 100% at age 65.
Administrative Expenses	An explicit administrative expense equal to the average of the actual expenses for the two prior years.
Marital Status	Percent married: 90% male and female Age difference: Males are assumed to be two years older than females
Mortality Tables	Pre-Retirement: Pub-2010 Public Safety Healthy Employee Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale, 60% multiplier for off-duty mortality. Post-Retirement: Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with MP-2020 Ultimate projection scale. Disabled: Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, set forward five years projected with the MP-2020 Ultimate projection scale, with minimum probability of 3.5% for males and 2.5% for females.
Changes in Actuarial Assumptions	The investment return rate was reduced from 7.0% to 6.0% per annum.

The actuarial assumptions shown above are associated with the Actuarially Determined Contribution for the Fiscal Year Ending December 31, 2024. The actuarial assumptions

were changed for the Actuarial Valuation as of January 1, 2025 and as such, the Total Pension Liability was measured using those assumptions.

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, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return
Liquidity	4.0 %	4.2 %
Fixed income - Rates	7.0 %	5.0 %
Fixed income - Credit	7.0 %	6.5 %
Diversifiers	9.0 %	5.7 %
Long short	6.0 %	6.2 %
Global public equity	33.0 %	7.0 %
Private markets	34.0 %	8.8 %
Total	100.0 %	

Discount Rate

Projected benefit payments are discounted to their actuarial present value using a single discount rate that reflects both the long-term expected rate of return on plan investments and a tax-exempt municipal bond rate. The long-term expected rate of return is applied to periods in which the plan's fiduciary net position is projected to be sufficient to make benefit payments, while the municipal bond rate is applied to periods in which projected fiduciary net position is not expected to be sufficient. The municipal bond rate is based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date.

The long-term expected rate of return on pension plan investments was 6.00%. The municipal bond rate was 4.08%, based on the weekly "State and Local Bonds" rate reported in the Federal Reserve Statistical Release (H.15) nearest to, but not later than, the measurement date. Because the plan's fiduciary net position is projected to be sufficient to make all projected benefit payments, the resulting single discount rate used to measure the total pension liability was 6.00%.

Based on the plan's maturity characteristics, plan assets are expected to transition to FPPA's short-term investment pool within the next ten years. Accordingly, effective with the January 1, 2025 actuarial valuation, the long-term expected rate of return assumption was revised to 6.00% to reflect the anticipated change in investment strategy.

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 6.00%, 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 (5.0%)	Current Discount Rate (6.0%)	1% Increase (7.0%)
Proportion share of the net pension liability	\$ 430,400	\$ 381,050	\$ 338,146

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, 2024, there are 8 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, 2024 determined a \$216,735 contribution be made in 2025 and 2026. The next actuarial study will be done as of January 1, 2026. 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, 2024 is calculated as follows:

A. Total pension liability		
Interest on the Total Pension Liability	\$	176,714
Benefit Payments		<u>(334,703)</u>
Net change in pension liability	\$	(157,989)
Total pension liability - beginning		<u>4,092,496</u>
Total pension liability - ending	\$	<u><u>3,934,507</u></u>
B. Plan fiduciary net position		
Contributions - employer	\$	216,735
Net investment income		99,565
Benefit payments		(334,703)
Pension Plan Administrative Expense		<u>(6,001)</u>
Net change in plan fiduciary net position	\$	<u>(24,404)</u>
Plan fiduciary net position - beginning (Market value of assets at beginning of year)		<u>2,064,117</u>
Plan fiduciary net position - ending (Market value of assets at end of year)	\$	<u><u>2,039,713</u></u>
C. Net pension liability	\$	<u><u>1,894,794</u></u>
D. Plan fiduciary net position as a percentage of the total pension liability		
		51.84 %

For the year ended December 31, 2025, the District recognized a pension expense of \$120,942. At December 31, 2025, 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	\$ 101,854	\$ —
Contributions subsequent to the measurement date	<u>216,735</u>	<u>—</u>
Total	<u><u>\$ 318,589</u></u>	<u><u>\$ —</u></u>

Contributions subsequent to the measurement date of December 31, 2024, 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, 2026. 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
2026	\$ 41,869
2027	62,846
2028	(975)
2029	(1,886)
Total	\$ 101,854

Actuarial Assumptions

The total pension liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment Rate of Return	4.50% per annum
Asset Valuation Method	5-Year smoothed value
Retirement Age	Any remaining actives are assumed to retire immediately.
Benefit Escalations	3.00%-3.50%
Administrative Expenses	An explicit administrative expense equal to the average of the actual expenses for the two prior years.
Mortality Tables	Post-Retirement: Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with the ultimate values of the MP-2020 projection scale. Disabled Retirees (pre-1980): Post-retirement mortality rates set forward three years.
Changes in Actuarial Assumptions	The global assumption set for plans administered by FPPA was changed in the 2022 Experience Study and effective as of January 1, 2023. This is the first valuation for this plan with the new assumptions. The mortality assumptions were updated to use the Pub-2010 Public Safety Mortality tables projected with the ultimate rates of the MP-2020 projection scale.

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 2024.

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, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	10.0 %	5.5 %
Fixed income - Rates	70.0 %	5.4 %
Fixed income - Credit	10.0 %	5.9 %
Diversifiers	0.0%	7.4 %
Long short	0.0%	7.0 %
Global public equity	10.0 %	8.3 %
Private markets	0.0%	10.2 %
Total	100.0 %	

Discount Rate

For purposes of measuring the total pension liability, projected benefit payments are discounted using a single discount rate that incorporates both (1) the long-term expected rate of return on pension plan investments for periods in which the plan's fiduciary net position is projected to be sufficient to make benefit payments and (2) a tax-exempt municipal bond rate for periods in which the fiduciary net position is not projected to be sufficient. The municipal bond rate is based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date.

The long-term expected investment return assumption used for the valuation was 4.50%. The municipal bond rate was 4.08%, based on the weekly "State and Local Bonds" rate published in the Federal Reserve Statistical Release (H.15) nearest to, but not later than, the measurement date. Based on the projected sufficiency of the plan's fiduciary net position, the resulting single discount rate used to measure the total pension liability was 4.50%

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 4.5%, 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 (3.5%)	Current Discount Rate (4.5%)	1% Increase (5.5%)
Proportion share of the net pension liability	\$ 2,200,681	\$ 1,894,793	\$ 1,625,704

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 2025 the mill levy was 0.500 mills.

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

Plan description. The Statewide Retirement Plan (SRP) is a cost-sharing multiple – employer defined benefit pension plan. The SRP plan is administered by FPPA.

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. Contribution rates for the Plan are set by state statute. The FPPA Board of Directors may further increase the required contributions, equally between employer and member, upon approval through an election of both employers and members.

Members of the Defined Benefit Component contribute 12.0 percent of base salary. In 2020, legislation was enacted to increase the employer contributions rate to the Plan beginning in 2021. Employer contribution rates will increase 0.5 percent annually through 2030 to a total of 13.0 percent of base salary. These increases result in a combined contribution rate of 25.0 percent of base salary in 2030. In 2024, members of the SRP plan and their employers are contributing at the rate of 12.0 percent and 10.0 percent, respectively, of pensionable earnings for a total contribution rate of 22.0 percent.

Members of the Social Security Component contribute 6.0 percent of base salary. Per the 2020 legislation, employer contribution rates will increase 0.25 percent annually through 2030 to a total of 6.5 percent of base salary. These increases result in a combined contribution rate of 12.5 percent of base salary in 2030. In 2024, the total combined member and employer contribution rate was 11.00 percent.

Members of the Defined Benefit Component contribution rate as of December 31, 2025 was 12.0 percent and the District's contribution rate was 10.5 percent. Contributions to the SRP plan from the District were \$2,108,389 for the year ended December 31, 2025.

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

At December 31, 2025, the District reported a net pension asset of \$43,508 for its proportionate share of the SRP net pension asset. The net pension asset was measured as of December 31, 2024, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2025, which was unchanged from December 31, 2024. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. At December 31, 2024, the District's proportion was 1.661 percent, which was a decrease of 0.249 percent from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the District recognized pension expense of \$3,894,787. At December 31, 2025, 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	\$ 3,990,895	\$ 124,833
Changes of assumptions or other inputs	1,428,304	—
Net difference between projected and actual earnings on pension plan investments	566,944	—
Changes in proportion and differences between contributions recognized and proportionate share of contributions	3,742,422	53,807
Contributions subsequent to the measurement date	2,108,389	—
Total	<u>\$ 11,836,954</u>	<u>\$ 178,640</u>

Total reported deferred outflows of resources related to pension were \$2,108,389 resulting from District contributions subsequent to measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2026. 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
2026	\$ 2,386,682
2027	3,112,183
2028	832,105
2029	799,088
2030	1,008,685
Thereafter	1,411,181
Total	<u>\$ 9,549,924</u>

Actuarial Assumptions. The January 1, 2025 actuarial valuation used the following actuarial assumptions and other inputs:

	Total Pension Liability
Actuarial valuation date	January 1, 2025
Actuarial method	Entry Age Normal
Long-term investment rate of return, net*	7.00%
Projected salary increases*	4.25% - 11.75%
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 Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, and then projected using the ultimate values of the MP-2020 projection scale for all years. The pre-retirement mortality assumptions uses Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, and then projected with the MP-2020 Ultimate projection scale. The pre-retirement non-duty mortality tables are adjusted to 60% multiplier. The on-duty mortality rate is 0.00015.

For determining the actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables projected with ultimate values of the MP-2020 projection scales. The pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 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 2023 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 & Company, based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2024. 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, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	33%	7.00%
Equity long/short	6%	6.20%
Private markets	34%	8.80%
Fixed income - Rates	7%	5.00%
Fixed income - Credit	7%	6.50%
Absolute return	9%	5.70%
Cash	4%	4.20%
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 Statewide Retirement 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.

The COLA assumption reflects the true nature of Board's Benefits Policy which includes a variable COLA and supplemental payments. Consistent with Board's policy, the COLA assumption will fluctuate from year to year depending on plan experience and is the long-term COLA assumption which results in no Net Pension Asset. If current assets do not support Total Pension Liabilities using a COLA assumption of greater than 0.00%, then a COLA assumption of 0.00% will be used and a Net Pension Liability will be reported.

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 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)	\$ 8,104,584	\$ (43,508)	\$ -

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

6) 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 Voya Financial Health Account Solutions. 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 annual contribution for active employees where firefighter employees receive a District contribution of \$2,814 annually and administrative staff employees receive a District contribution of \$1,566 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

For the total OPEB liability in December 31, 2025, actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Measurement Date	December 31, 2024
Actuarial Cost Method	Entry Age Normal
Discount Rate	4.83% 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, 2025, valuations were based on the results of an actuarial experience study for the period January 1, 2024 through December 31, 2024. The underlying census data is the same as that used in the prior valuation results, except only those deemed terminated during 2025 from the 2024 census are reflected to be paid-out as of December 31, 2025. At the end December 31, 2025, there were 785 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 4.08% to 4.83% since the beginning of the fiscal year.

Total OPEB Liability

The District's total OPEB liability of \$17,780,133 was measured as of December 31, 2025, and was determined by actuarial valuations as of that date.

Changes in the total OPEB liability are:

	<u>2025</u>
Total OPEB liability, beginning of year	\$ 19,135,573
Changes for the year:	
Service cost	1,902,437
Interest cost	823,664
Difference between expected and actual experience	(1,767,215)
Changes in assumptions	(979,158)
Benefit payment	(1,335,168)
Net changes	<u>(1,355,440)</u>
Total OPEB liability, end of year	<u><u>\$ 17,780,133</u></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 4.83%. 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 (3.83%)	Current Discount Rate (4.83%)	1% Increase (5.83%)
District's total OPEB liability	\$ 18,998,000	\$ 17,780,133	\$ 16,663,000

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	1% Increase
District's total OPEB liability	\$ 16,026,000	\$ 17,780,133	\$ 19,825,000

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

For the year ended December 31, 2025, the District recognized OPEB expense of \$898,377. At December 31, 2025, 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
Difference between expected and actual experience	\$ —	\$ 2,190,328
Changes of assumptions or other inputs	441,898	3,296,649
Total	<u>\$ 441,898</u>	<u>\$ 5,486,977</u>

Other amounts reported as deferred inflows of resources at December 31, 2025, related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31	Net Deferred Outflows/ (Inflows) of Resources
2026	\$ (492,556)
2027	(492,556)
2028	(492,556)
2029	(492,556)
2030	(492,556)
Thereafter	(2,582,298)
Total	<u>\$ (5,045,078)</u>

7) **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, 2025, District contributed and recognized as expense \$3,197,026. Employees are 100% vested upon date of hire, therefore, there were no forfeitures returned to the plan during 2025.

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.

Adoption of a New Standard

In 2025, the District implemented GASB Statement No. 102 *Certain Risk Disclosures*, amendment of GASB Statement No. 62. This statement requires governments to disclose risks related to vulnerabilities due to certain concentrations or constraints. The implementation of this statement did not have a material impact on the District's financial statements.

NOTE 15 – SUBSEQUENT EVENT

On November 4, 2025, voters of the District approved an additional 3.000 mills of property tax. The increase is expected to generate approximately \$50 million in additional annual revenue beginning in fiscal year 2026. The additional revenues will be used to maintain staffing levels, support the maintenance and expansion of infrastructure, retain highly qualified personnel, and enhance firefighter health and wellness programs.

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, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Property taxes	\$ 155,220,100	\$ 155,220,100	\$ 154,077,725	\$ (1,142,375)
Specific ownership taxes	10,080,409	10,080,409	10,183,787	103,378
Grants	120,000	120,000	184,034	64,034
Charges for service - transports	18,816,657	18,816,657	16,864,655	(1,952,002)
Charges for service - plan review fees	2,239,516	2,239,516	2,557,747	318,231
Medicaid supplemental fee	7,234,628	7,234,628	7,020,710	(213,918)
Dispatch fees	140,000	140,000	152,339	12,339
Intergovernmental and other reimbursements	1,750,500	1,750,500	3,389,774	1,639,274
Investment income	1,852,000	1,852,000	3,087,945	1,235,945
Lease rental income	187,371	187,371	202,579	15,208
Contribution revenue	—	—	97,305	97,305
Miscellaneous revenue	168,001	168,001	285,897	117,896
Total revenues	<u>197,809,182</u>	<u>197,809,182</u>	<u>198,104,497</u>	<u>295,315</u>
EXPENDITURES				
Public safety				
Operations	132,688,465	132,707,896	130,164,514	2,543,382
Administration	42,743,911	45,058,469	40,085,708	4,972,761
Fire Marshal	5,978,145	5,978,145	5,623,086	355,059
Dispatch	4,753,871	4,856,213	4,329,237	526,976
Debt service lease and subscriptions - principal	—	—	1,570,657	(1,570,657)
Debt service lease and subscriptions - interest	—	—	93,708	(93,708)
Capital outlay	—	—	649,237	(649,237)
Total expenditures	<u>186,164,392</u>	<u>188,600,723</u>	<u>182,516,147</u>	<u>6,084,576</u>
Excess of revenues over (under) expenditures	<u>11,644,790</u>	<u>9,208,459</u>	<u>15,588,350</u>	<u>6,379,891</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	(15,000,000)	(15,000,000)	(15,000,000)	—
Lease and subscriptions issuance	194,980	194,980	417,817	222,837
Sale of capital assets	25,000	25,000	372,752	347,752
Total other financing sources (uses)	<u>(14,780,020)</u>	<u>(14,780,020)</u>	<u>(14,209,431)</u>	<u>570,589</u>
Net change in fund balances	(3,135,230)	(5,571,561)	1,378,919	6,950,480
Fund balances - beginning of year	51,926,286	51,926,286	54,854,825	2,928,539
Fund balances - end of year	<u>\$ 48,791,056</u>	<u>\$ 46,354,725</u>	<u>\$ 56,233,744</u>	<u>\$ 9,879,019</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

Measurement period ending December 31,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Pension Liability										
Service Cost	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Interest on Total Pension Liability	48,346	46,295	45,556	43,700	41,885	40,058	37,551	34,085	62,834	59,746
Benefit changes	—	—	—	—	—	—	—	510,948	-	-
Difference between Expected and Actual Experience	—	(14,675)	—	24,121	—	(10,046)	—	(22,627)	-	15,966
Changes of Assumptions	—	30,490	—	17,714	—	—	—	(2,005)	-	161,549
Benefit Payments	(77,742)	(73,559)	(70,308)	(70,308)	(69,265)	(66,682)	(64,932)	(109,960)	(109,440)	(104,380)
Net Change in Pension Liability	\$ (29,396)	\$ (11,449)	\$ (24,752)	\$ 15,227	\$ (27,380)	\$ (36,670)	\$ (27,381)	\$ 410,441	\$ (46,606)	\$ 132,881
Total Pension Liability - Beginning	682,781	653,385	641,936	617,184	632,411	605,031	568,361	540,980	951,421	904,815
Total Pension Liability - Ending	\$ 653,385	\$ 641,936	\$ 617,184	\$ 632,411	\$ 605,031	\$ 568,361	\$ 540,980	\$ 951,421	\$ 904,815	\$ 1,037,696
Plan Fiduciary Net Position										
Employer Contributions	\$27,596	\$28,670	\$28,670	\$ —	\$61,238	\$ 45,550	\$45,550	\$ 94,767	\$ 94,767	\$ 87,599
Pension Plan Net Investment Income	6,604	17,007	41,017	1,128	33,879	26,007	33,793	(20,991)	18,034	11,141
Benefit Payments	(77,742)	(73,559)	(70,308)	(70,308)	(69,265)	(66,682)	(64,932)	(109,960)	(109,440)	(104,380)
Pension Plan Administrative Expense	(1,865)	(788)	(4,773)	(4,733)	(5,348)	(4,496)	(7,271)	(5,341)	(7,242)	(6,140)
Net Change in Fiduciary Net Position	\$ (45,407)	\$ (28,670)	\$ (5,394)	\$ (73,913)	\$ 20,504	\$ 379	\$ 7,140	\$ (41,525)	\$ (3,881)	\$ (11,780)
Plan Fiduciary Net Position - Beginning	389,331	343,924	315,254	309,860	235,947	256,451	256,830	263,970	222,445	218,564
Plan Fiduciary Net Position - Ending	\$ 343,924	\$ 315,254	\$ 309,860	\$ 235,947	\$ 256,451	\$ 256,830	\$ 263,970	\$ 222,445	\$ 218,564	\$ 206,784
Net Pension Liability/(Asset) Ending	\$ 309,461	\$ 326,682	\$ 307,324	\$ 396,464	\$ 348,580	\$ 311,531	\$ 277,010	\$ 728,976	\$ 686,251	\$ 830,912
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	52.64 %	49.11 %	50.21 %	37.31 %	42.39 %	45.19 %	48.79 %	23.38 %	24.16 %	19.93 %
Covered Employee Payroll	N/A	N/A	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	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

Measurement period ending December 31,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Pension Liability										
Service Cost	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Interest on Total Pension Liability	23,439	22,781	23,373	22,456	24,080	23,225	22,995	21,094	41,600	39,967
Benefit Changes	—	—	—	—	—	—	—	347,399	—	—
Difference between Expected and Actual Experience	—	5,285	—	46,692	—	9,345	—	(11,614)	—	(8,345)
Changes of Assumptions	—	13,362	—	11,763	—	—	—	1,457	—	42,904
Benefit Payments	(32,220)	(32,220)	(34,907)	(36,300)	(36,300)	(36,300)	(35,400)	(65,400)	(65,400)	(64,440)
Net Change in Pension Liability	\$ (8,781)	\$ 9,208	\$ (11,534)	\$ 44,611	\$ (12,220)	\$ (3,730)	\$ (12,405)	\$ 292,936	\$ (23,800)	\$ 10,086
Total Pension Liability - Beginning	328,345	319,564	328,772	317,238	361,849	349,629	345,899	333,494	626,430	602,630
Total Pension Liability - Ending	\$ 319,564	\$ 328,772	\$ 317,238	\$ 361,849	\$ 349,629	\$ 345,899	\$ 333,494	\$ 626,430	\$ 602,630	\$ 612,716
Plan Fiduciary Net Position										
Employer Contributions	\$ —	\$ —	\$ —	\$ —	\$ 4,140	\$ 11,311	\$ 11,311	\$ 48,233	\$ 48,233	\$ 41,127
Pension Plan Net Investment Income	6,357	16,253	42,320	573	36,827	31,368	38,253	(22,662)	20,967	19,797
Benefit Payments	(32,220)	(32,220)	(34,907)	(36,300)	(36,300)	(36,300)	(35,400)	(65,400)	(65,400)	(64,440)
Pension Plan Administrative Expense	(1,631)	(766)	(3,458)	(3,227)	(3,889)	(3,224)	(5,627)	(3,715)	(5,281)	(4,263)
Net Change in Fiduciary Net Position	\$ (27,494)	\$ (16,733)	\$ 3,955	\$ (38,954)	\$ 778	\$ 3,155	\$ 8,537	\$ (43,544)	\$ (1,481)	\$ (7,779)
Plan Fiduciary Net Position - Beginning	351,226	323,732	306,999	310,954	272,000	272,778	275,933	284,470	240,926	239,445
Plan Fiduciary Net Position - Ending	\$ 323,732	\$ 306,999	\$ 310,954	\$ 272,000	\$ 272,778	\$ 275,933	\$ 284,470	\$ 240,926	\$ 239,445	\$ 231,666
Net Pension Liability/(Asset) Ending	\$ (4,168)	\$ 21,773	\$ 6,284	\$ 89,849	\$ 76,851	\$ 69,966	\$ 49,024	\$ 385,504	\$ 363,185	\$ 381,050
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	101.30 %	93.38 %	98.02 %	75.17 %	78.02 %	79.77 %	85.30 %	38.46 %	39.73 %	37.81 %
Covered Employee Payroll	N/A	N/A	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	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

Measurement period ending December 31,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Pension Liability										
Service Cost	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Interest on Total Pension Liability	317,279	321,975	316,762	311,152	305,634	254,807	247,687	231,930	223,462	176,715
Benefit Changes	—	—	—	—	—	—	—	—	—	—
Difference between Expected and Actual Experience	(151,064)	—	(2,929)	—	(353,791)	—	(132,085)	—	109,848	—
Assumption Changes	296,129	—	—	—	268,236	—	—	—	506,873	—
Benefit Payments	(402,436)	(396,933)	(385,824)	(391,541)	(377,681)	(371,496)	(356,974)	(359,091)	(365,404)	(334,703)
Net Change in Pension Liability	\$ 59,908	\$ (74,958)	\$ (71,991)	\$ (80,389)	\$ (157,602)	\$ (116,689)	\$ (241,372)	\$ (127,161)	\$ 474,779	\$ (157,988)
Total Pension Liability - Beginning	4,427,970	4,487,878	4,412,920	4,340,929	4,260,540	4,102,938	3,986,249	3,744,877	3,617,716	4,092,495
Total Pension Liability - Ending	\$ 4,487,878	\$ 4,412,920	\$ 4,340,929	\$ 4,260,540	\$ 4,102,938	\$ 3,986,249	\$ 3,744,877	\$ 3,617,716	\$ 4,092,495	\$ 3,934,507
Plan Fiduciary Net Position										
Employer Contributions	\$ 201,921	\$ 201,921	\$ 214,110	\$ —	\$ 430,845	\$ 216,735	\$ 216,735	\$ 216,735	\$ 216,735	\$ 216,735
Employee Contributions	—	—	—	—	—	—	—	—	—	—
Pension Plan Net Investment Income	45,805	118,377	298,155	5,886	255,681	208,704	249,749	(167,473)	126,426	99,566
Benefit Payments	(402,436)	(396,933)	(385,824)	(391,541)	(377,681)	(371,496)	(356,974)	(359,090)	(365,404)	(334,703)
Pension Plan Administrative Expense	(3,687)	(5,643)	(2,568)	(5,157)	(3,070)	(4,457)	(3,089)	(5,220)	(4,083)	(6,001)
Net Change in Fiduciary Net Position	\$ (158,397)	\$ (82,278)	\$ 123,873	\$ (390,812)	\$ 305,775	\$ 49,486	\$ 106,421	\$ (315,048)	\$ (26,326)	\$ (24,403)
Plan Fiduciary Net Position - Beginning	2,451,423	2,293,026	2,210,748	2,334,621	1,943,809	2,249,584	2,299,070	2,405,491	2,090,443	2,064,117
Plan Fiduciary Net Position - Ending	\$ 2,293,026	\$ 2,210,748	\$ 2,334,621	\$ 1,943,809	\$ 2,249,584	\$ 2,299,070	\$ 2,405,491	\$ 2,090,443	\$ 2,064,117	\$ 2,039,714
Net Pension Liability/(Asset) Ending	\$ 2,194,852	\$ 2,202,172	\$ 2,006,308	\$ 2,316,731	\$ 1,853,354	\$ 1,687,179	\$ 1,339,386	\$ 1,527,273	\$ 2,028,378	\$ 1,894,793
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	51.09 %	50.10 %	53.78 %	45.62 %	54.83 %	57.68 %	64.23 %	57.78 %	50.44 %	51.84 %
Covered Employee Payroll	N/A	N/A	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	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 Total OPEB Liability and
Related Ratios Multiyear Last Ten Fiscal Years
(to be built prospectively)

Measurement period ending December 31,	2022	2023	2024	2025
Total OPEB Liability				
Service cost	\$ 2,262,960	\$ 1,801,638	\$ 1,851,783	\$ 1,902,437
Interest cost	400,035	691,429	684,157	823,664
Changes of benefit terms	—	—	—	—
Differences between expected and actual experience	—	(435,082)	(280,180)	(1,767,215)
Changes of assumptions or other inputs	(2,040,939)	585,116	(1,214,468)	(979,158)
Benefit Payments	(1,398,985)	(587,246)	(1,040,354)	(1,335,168)
Net Change in OPEB Liability	\$ (776,929)	\$ 2,055,855	\$ 938	\$ (1,355,440)
Total OPEB Liability - Beginning	17,855,709	17,078,780	19,134,635	19,135,573
Total OPEB Liability - Ending	\$ 17,078,780	\$ 19,134,635	\$ 19,135,573	\$ 17,780,133
 Covered Employee Payroll	 \$ 82,142,530	 \$ 88,903,331	 \$93,090,092	 \$ 103,260,072
 Total OPEB Liability as a Percentage of Covered Employee Payroll	 21%	 22%	 21%	 17%

Actuarial measurement date	December 31, 2025
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 12.5 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 2024 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. Sample rates are provided below.
Retirement age	Sample retirement ages and associated probabilities are provided in the table below. These values are based on the 2024 Fire and Police Pension Association Statewide Defined Benefit Plan Actuarial Valuation. In order to account for the Plan's additional SMFR contribution per the rule of 75, we have extended the over 25 YoS retirement age table through age 64.

Note: There are no assets accumulated to pay related benefits for the OPEB RHS plan.

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 Retirement Plan
Last Ten Fiscal Years
(to be built prospectively)

Measurement period ending December 31,	2023	2024
District's proportionate (percentage) of the collective net pension liability (asset)	1.910%	1.661%
District's proportionate share of the collective pension liability (asset)	\$ (43,508)	\$ (43,508)
Covered payroll	\$ 18,227,216	\$ 20,265,675
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.24%	0.21%
Plan fiduciary net position as a percentage of the total pension liability	100.00%	100.00%

Notes:

* Information not currently available for prior years as the plan began January 1, 2023; additional years will be displayed as they become available.

** This plan was created by combination of the Statewide Hybrid Plan and Statewide Defined Benefit Plan effective 1/1/2023.

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
2025	\$ 87,599	\$ 87,599	\$ —	N/A	N/A
2024	87,599	87,599	—	N/A	N/A
2023	94,767	94,767	—	N/A	N/A
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

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
2025	\$ 43,067	\$ 41,127	\$ 1,940	N/A	N/A
2024	43,067	41,127	1,940	N/A	N/A
2023	48,233	48,233	—	N/A	N/A
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

Note: 2024 and 2025 actual contribution of \$41,127 was based on the initial actuarial valuation and budget.

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
2025	\$ 216,735	\$ 216,735	\$ —	N/A	N/A
2024	216,735	216,735	—	N/A	N/A
2023	216,735	216,735	—	N/A	N/A
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

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

**South Metro Fire Rescue FPPA Plan
Statewide Retirement 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
2024	\$ 1,811,118	\$ 1,811,118	\$ —	\$ 18,227,216	9.94%
2025	2,108,389	2,108,389	—	20,265,675	10.40%

Note:

In 2024, Statewide Defined Benefit Plan and Statewide Hybrid Plan merged and became Statewide Retirement Plan. Information earlier than 2024 is available under the legacy individual plans and is not reflected here.

	Actuarial Determined Contributions
Actuarial valuation date	January 1, 2024
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% - 11.75%
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, 2025

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, except for multi-year projects in the General Fund and Capital Projects Fund.

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, 2023 determine the contribution amounts for 2024 and 2025.
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Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	11 Years*
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.5%
Salary Increases	N/A
Investment Rate of Return	7.00%
Retirement Age	Age 50 and 20 years of service, 50% per year of eligibility until 100% at age 65.
Mortality	Pre-retirement: Pub-2010 Public Safety Healthy Employee Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale, 60% multiplier.

SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2025
(Continued)

Post-retirement: Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with the ultimate values of the MP-2020 projection scale.

Disabled: Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, set forward five years projected with the MP-2020 Ultimate projection scale, with minimum probability of 3.5% for males and 2.5% for females.

*Plans that are heavily weighted with retiree liabilities as an amortization period based on the expected remaining lifetime of the participants.

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, 2023, determines the contribution amounts for 2024 and 2025. No changes in assumptions or benefit terms since the prior valuation.

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	20 Years*
Asset Valuation Method	5-Year smoothed fair value
Inflation	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: Pub-2010 Public Safety Healthy Employee Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale, 60% multiplier for off-duty mortality.

**SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2025

(Continued)

Post-retirement: Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with MP-2020 Ultimate projection scale.

Disabled: Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, set forward five years projected with the MP-2020 Ultimate projection scale, with minimum probability of 3.5% for males and 2.5% for females.

*Plans that are heavily weighted with retiree liabilities as an amortization period based on the expected remaining lifetime of the participants.

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, 2022, determines the contribution amounts for 2023 and 2024.
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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	4.50%
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.

NOTE 3 – SIGNIFICANT CHANGES IN PLAN PROVISIONS AFFECTING TRENDS IN ACTUARIAL INFORMATION

1. Parker Fire Protection District Volunteer Pension Fund

2023 Changes in Plan Provisions Since 2021

- There were no changes made to the plan provisions.

2023 Changes in Assumptions or Other Inputs Since 2021

- The global assumption set for plans administered by FPPA was changed in the 2022 Experience Study and effective as of January 1, 2023. This is the first valuation for this plan with the new assumptions. The mortality assumptions were updated to use the Pub-2010 Public Safety Mortality tables projected with the ultimate rates of the MP-2020 projection scale.

2. South Metro Fire Rescue Volunteer Pension Fund

2023 Changes in Plan Provisions Since 2021

- There were no changes made to the plan provisions.

2023 Changes in Assumptions or Other Inputs Since 2021

- The global assumption set for plans administered by FPPA was changed in the 2022 Experience Study and effective as of January 1, 2023. This is the first valuation for this plan with the new assumptions. The mortality assumptions were updated to use the Pub-2010 Public Safety Mortality tables projected with the ultimate rates of the MP-2020 projection scale.

3. Cherry Hills Old Hire Fire Pension Fund

2024 Changes in Plan Provisions Since 2022

- There were no changes made to the plan provisions.

2024 Changes in Assumptions or Other Inputs Since 2022

- The global assumption set for plans administered by FPPA was changed in the 2022 Experience Study and effective as of January 1, 2023. This is the first valuation for this plan with the new assumptions. The mortality assumptions were updated to use the Pub-2010 Public Safety Mortality tables projected with the ultimate rates of the MP-2020 projection scale.

**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, 2025 AND 2024**

	2025	2024
REVENUE		
Property taxes	\$ 154,077,725	\$ 163,300,275
Specific ownership taxes	10,183,787	10,189,828
Grants	184,034	629,830
Charges for service - transports	16,864,655	14,951,172
Charges for service - plan review fees	2,557,747	2,030,546
Medicaid supplemental fee	7,020,710	7,234,628
Dispatch fees	152,339	157,353
Intergovernmental and other reimbursements	3,389,774	3,194,274
Investment income	3,087,945	2,960,143
Lease rental income	202,579	206,885
Contribution revenue	97,305	-
Miscellaneous revenue	285,897	242,283
Total revenue	<u>198,104,497</u>	<u>205,097,217</u>
EXPENDITURES		
Public Safety		
Operations	130,164,514	118,331,749
Administration	40,085,708	40,590,354
Fire Marshal	5,623,086	5,881,224
Dispatch	4,329,237	4,276,404
Debt service lease and subscriptions - principal	1,570,657	1,691,769
Debt service lease and subscriptions - interest	93,708	111,408
Capital outlay	<u>649,237</u>	<u>998,462</u>
Total expenditures	<u>182,516,147</u>	<u>171,881,370</u>
Excess (deficiency) of revenue over expenditures	15,588,350	33,215,847
OTHER FINANCING SOURCES (USES)		
Transfers to other funds	(15,000,000)	(30,000,000)
Lease and subscriptions issuance	417,817	1,537,574
Sale of capital assets	<u>372,752</u>	<u>192,529</u>
Total other financing sources (uses)	(14,209,431)	(28,269,897)
Net change in fund balance	1,378,919	4,945,950
Fund balances - beginning of year	<u>54,854,825</u>	<u>49,908,875</u>
Fund balances - end of year	<u><u>\$ 56,233,744</u></u>	<u><u>\$ 54,854,825</u></u>

**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, 2025 AND 2024**

	2025	2024
REVENUE		
Property taxes	\$ 370,847	\$ 366,556
Specific ownership taxes	20,210	21,658
Investment income	64,516	67,793
Total revenue	<u>455,573</u>	<u>456,007</u>
EXPENDITURES		
Administration	5,571	5,509
Contribution to pension plan	216,735	216,735
Total expenditures	<u>222,306</u>	<u>222,244</u>
Excess of revenue over expenditures	<u>233,267</u>	<u>233,763</u>
Fund balances - beginning of year	<u>1,222,106</u>	<u>988,343</u>
Fund balances - end of year	<u><u>\$ 1,455,373</u></u>	<u><u>\$ 1,222,106</u></u>

**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, 2025**

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUE			
Property taxes	\$ 371,836	\$ 370,847	\$ (989)
Specific ownership taxes	22,880	20,210	(2,670)
Investment income	60,000	64,516	4,516
Total revenue	<u>454,716</u>	<u>455,573</u>	<u>857</u>
EXPENDITURES			
Administration	5,578	5,571	7
Contribution to pension plan	239,422	216,735	22,687
Total expenditures	<u>245,000</u>	<u>222,306</u>	<u>22,694</u>
Excess of revenue over expenditures	<u>209,716</u>	<u>233,267</u>	<u>23,551</u>
Fund balances - beginning of year	<u>1,218,065</u>	<u>1,222,106</u>	<u>4,041</u>
Fund balance - end of year	<u><u>\$ 1,427,781</u></u>	<u><u>\$ 1,455,373</u></u>	<u><u>\$ 27,592</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, 2025 AND 2024**

	2025	2024
REVENUE		
Investment income	\$ 1,283,286	\$ 1,083,487
Excise taxes	994,385	413,856
Contribution revenue	55,686	370,889
Total revenue	<u>2,333,357</u>	<u>1,868,232</u>
EXPENDITURES		
Equipment capital outlay	1,645,169	3,484,476
Vehicle capital outlay	4,784,241	4,803,882
Buildings and grounds capital outlay	2,832,191	8,598,789
Software	—	969,644
Leases - building and equipment	—	21,281
Total expenditures	<u>9,261,601</u>	<u>17,878,072</u>
Deficiency of revenue over expenditures	<u>(6,928,244)</u>	<u>(16,009,840)</u>
OTHER FINANCING SOURCES (USES)		
Transfers from other funds	15,000,000	30,000,000
Total other financing sources (uses)	<u>15,000,000</u>	<u>30,000,000</u>
Net change in fund balance	8,071,756	13,990,160
Fund balances - beginning of year	<u>25,465,771</u>	<u>11,475,611</u>
Fund balances - end of year	<u><u>\$ 33,537,527</u></u>	<u><u>\$ 25,465,771</u></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, 2025

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUE				
Investment income	\$ 585,000	\$ 585,000	\$ 1,283,286	\$ 698,286
Excise taxes	150,000	150,000	994,385	844,385
Contribution revenue	—	—	55,686	55,686
Total revenue	<u>735,000</u>	<u>735,000</u>	<u>2,333,357</u>	<u>1,598,357</u>
EXPENDITURES				
Operations	872,189	872,189	553,727	318,462
Administration	6,733,570	10,794,354	530,710	10,263,644
Capital outlay	—	—	8,177,164	(8,177,164)
Total expenditures	<u>7,605,759</u>	<u>11,666,543</u>	<u>9,261,601</u>	<u>2,404,942</u>
Excess (deficiency) of revenue over expenditures	<u>(6,870,759)</u>	<u>(10,931,543)</u>	<u>(6,928,244)</u>	<u>806,585</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	15,000,000	15,000,000	15,000,000	—
Total other financing sources (uses)	<u>15,000,000</u>	<u>15,000,000</u>	<u>15,000,000</u>	<u>—</u>
Net change in fund balance	8,129,241	4,068,457	8,071,756	4,003,299
Fund balance - beginning of year	21,135,631	21,135,631	25,465,771	4,330,140
Fund balance - end of year	<u>\$ 29,264,872</u>	<u>\$ 25,204,088</u>	<u>\$ 33,537,527</u>	<u>\$ 8,333,439</u>

**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, 2025**

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUE			
Lease rental income	\$ 702,500	\$ 656,041	\$ (46,459)
Lease interest income	—	4,060	4,060
Total revenue	<u>702,500</u>	<u>660,101</u>	<u>(42,399)</u>
EXPENDITURES			
Building and grounds maintenance	677,500	617,434	60,066
Capital outlay	<u>75,000</u>	<u>109,938</u>	<u>(34,938)</u>
Total expenditures	<u>752,500</u>	<u>727,372</u>	<u>25,128</u>
Net change in fund balances	<u>(50,000)</u>	<u>(67,271)</u>	<u>(17,271)</u>
Funds available - beginning of year	<u>428,093</u>	<u>463,834</u>	<u>35,741</u>
Funds available - end of year	<u>\$ 378,093</u>	<u>\$ 396,563</u>	<u>\$ 18,470</u>
Reconciliation to GAAP basis			
Excess of revenue (under) expenditures		\$ (67,271)	
Capital purchases		109,938	
Depreciation		<u>(284,836)</u>	
Net income - GAAP basis		<u>\$ (242,169)</u>	
Funds available at December 31, 2025			
are computed as follows:			
Funds available - end of year		\$ 396,563	
Net investment in capital assets		<u>4,916,871</u>	
		<u>\$ 5,313,434</u>	

DESCRIPTION OF STATISTICAL SECTION CONTENTS

December 31, 2025

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.

109-112

Revenue Capacity:

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

113-117

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.

118-120

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.

121-123

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.

124-126

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

		Fiscal Year									
		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities				Restated	Restated				Restated		
Net invested in capital assets		\$ 45,859,677	\$ 49,544,941	\$ 63,425,921	\$ 75,411,948	\$ 76,995,272	\$ 75,283,384	\$ 74,406,518	\$ 77,571,659	\$ 85,092,014	\$ 85,883,121
Restricted		1,859,413	1,907,503	1,216,495	1,453,217	5,024,028	6,073,619	22,002,083	8,013,074	9,877,729	10,999,792
Unrestricted		33,889,278	31,389,743	31,821,955	53,509,303	52,421,108	58,224,837	29,002,889	38,711,515	55,737,317	59,022,308
Total governmental activities net position		\$ 81,608,368	\$ 82,842,187	\$ 96,464,371	\$ 130,374,468	\$ 134,440,408	\$ 139,581,840	\$ 125,411,490	\$ 124,296,248	\$ 150,707,060	\$ 155,905,221
Business-type activities											
Net invested in capital assets		\$ 6,760,140	\$ 5,623,230	\$ 6,303,231	\$ 5,987,080	\$ 5,994,538	\$ 5,990,896	\$ 5,654,670	\$ 5,347,107	\$ 5,091,769	\$ 4,916,871
Unrestricted		6,722,583	2,673,249	2,273,623	2,433,901	2,413,718	402,427	483,206	464,540	463,834	396,563
Total business-type activities net position		\$ 13,482,723	\$ 8,296,479	\$ 8,576,854	\$ 8,420,981	\$ 8,408,256	\$ 6,393,323	\$ 6,137,876	\$ 5,811,647	\$ 5,555,603	\$ 5,313,434
Primary government											
Net invested in capital assets		\$ 52,619,817	\$ 55,168,171	\$ 69,729,152	\$ 81,399,028	\$ 82,989,810	\$ 81,274,280	\$ 80,061,188	\$ 82,918,766	\$ 90,183,783	\$ 90,799,992
Restricted		1,859,413	1,907,503	1,216,495	1,453,217	5,024,028	6,476,046	22,002,083	8,013,074	9,877,729	10,999,792
Unrestricted		40,611,861	34,062,992	34,095,578	55,943,204	54,834,826	58,224,837	29,486,095	39,176,055	56,201,151	59,418,871
Total primary government net position		\$ 95,091,091	\$ 91,138,666	\$ 105,041,225	\$ 138,795,449	\$ 142,848,664	\$ 145,975,163	\$ 131,549,366	\$ 130,107,895	\$ 156,262,663	\$ 161,218,655

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

	Fiscal Year									
Expenses	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities:			Restated	Restated				Restated		
Operations	\$ 38,237,300	\$ 47,931,085	\$ 66,461,430	\$ 90,702,140	\$ 104,286,977	\$ 101,426,388	\$ 123,401,598	\$ 114,395,426	\$ 121,239,386	\$ 133,692,502
Administration	24,680,189	19,019,862	22,518,212	34,162,182	28,148,043	33,421,508	44,255,426	47,068,391	50,706,031	52,253,544
Fire Marshal	2,699,413	2,862,739	3,182,917	4,842,321	5,143,336	5,328,172	5,513,590	5,665,557	5,906,884	5,641,641
Dispatch	-	-	-	-	3,159,531	3,307,622	3,944,869	4,658,298	5,038,002	5,129,328
Total governmental activities expenses	\$ 65,616,902	\$ 69,813,686	\$ 92,162,559	\$ 129,706,643	\$ 140,737,887	\$ 143,483,690	\$ 177,115,483	\$ 171,787,672	\$ 182,890,303	\$ 196,717,015
Business-type activities:										
Building rental	\$ 864,682	\$ 858,801	\$ 589,904	\$ 988,600	\$ 885,152	\$ 824,751	\$ 1,020,870	\$ 965,340	\$ 906,406	\$ 902,270
Ambulance transports	3,776,570	3,125,249	-	-	-	-	-	-	-	-
Total business-type activities expenses	\$ 4,641,252	\$ 3,984,050	\$ 589,904	\$ 988,600	\$ 885,152	\$ 824,751	\$ 1,020,870	\$ 965,340	\$ 906,406	\$ 902,270
Total primary government expenses	\$ 70,258,154	\$ 73,797,736	\$ 92,752,463	\$ 130,695,243	\$ 141,623,039	\$ 144,308,441	\$ 178,136,353	\$ 172,753,012	\$ 183,796,709	\$ 197,619,285
Program Revenues										
Governmental activities:										
Operations	\$ 544,856	\$ 848,205	\$ 7,264,272	\$ 12,906,023	\$ 11,923,577	\$ 9,722,230	\$ 12,938,471	\$ 14,900,005	\$ 14,992,703	\$ 16,864,655
Administration	863,869	781,274	496,510	1,069,662	827,285	964,843	2,445,088	3,396,001	2,703,646	804,430
Fire Marshal	1,701,879	1,803,896	1,680,971	2,587,981	1,867,387	1,822,037	2,450,898	2,241,971	2,030,546	2,557,747
Metcom/Technical service	213,426	440,511	1,221,460	198,511	-	-	-	-	-	-
Dispatch	-	-	-	-	115,770	116,726	121,721	140,092	157,353	305,330
Contracted services - City of Littleton	-	-	-	9,092,902	-	-	-	-	-	-
Total governmental activities program revenues	\$ 3,324,030	\$ 3,873,886	\$ 10,663,213	\$ 25,855,079	\$ 14,734,019	\$ 12,625,836	\$ 17,956,178	\$ 20,678,069	\$ 19,884,248	\$ 20,532,162
Business-type activities:										
Building rental	\$ 1,447,718	\$ 1,287,984	\$ 820,434	\$ 781,682	\$ 837,182	\$ 809,823	\$ 765,319	\$ 639,111	\$ 650,362	\$ 660,101
Ambulance transports	4,210,217	4,575,987	-	-	-	-	-	-	-	-
Total governmental activities program revenues	\$ 5,657,935	\$ 5,863,971	\$ 820,434	\$ 781,682	\$ 837,182	\$ 809,823	\$ 765,319	\$ 639,111	\$ 650,362	\$ 660,101
Total primary government program revenues	\$ 8,981,965	\$ 9,737,857	\$ 11,483,647	\$ 26,636,761	\$ 15,571,201	\$ 13,435,659	\$ 18,721,497	\$ 21,317,180	\$ 20,534,610	\$ 21,192,263
Net (Expense)/Revenue										
Governmental activities	\$ (62,292,872)	\$ (65,939,800)	\$ (81,499,346)	\$ (103,851,564)	\$ (126,003,868)	\$ (130,857,854)	\$ (159,159,305)	\$ (151,109,603)	\$ (163,006,055)	\$ (176,184,853)
Business-type activities	1,016,683	1,879,921	230,530	(206,918)	(47,970)	(14,928)	(255,551)	(326,229)	(256,044)	(242,169)
Total primary government net expense	\$ (61,276,189)	\$ (64,059,879)	\$ (81,268,816)	\$ (104,058,482)	\$ (126,051,838)	\$ (130,872,782)	\$ (159,414,856)	\$ (151,435,832)	\$ (163,262,099)	\$ (176,427,022)
General Revenues										
Governmental activities:										
Property tax	\$ 53,737,956	\$ 54,069,865	\$ 71,775,702	\$ 97,206,003	\$ 113,457,721	\$ 114,866,725	\$ 125,272,691	\$ 124,311,095	\$ 163,666,831	\$ 154,448,572
Specific ownership tax	4,542,980	5,263,971	6,208,669	8,665,297	8,924,544	9,420,319	9,526,233	9,859,737	10,211,486	10,203,997
Excise taxes	-	-	-	-	347,056	577,988	480,365	728,625	413,856	994,385
Medicare/medicaid supplemental fee	-	-	-	-	5,076,521	6,191,645	6,951,772	7,433,403	7,234,628	7,020,710
Interest income (loss)	556,239	381,539	897,067	1,956,095	1,229,751	(93,890)	90,614	3,506,064	4,406,879	4,690,902
Gain (loss) on sale of assets	47,236	71,745	1,392,020	162,270	14,554	348,898	532,658	320,453	46,630	348,777
Intergovernmental and other reimbursement:	-	-	-	-	-	-	1,822,409	3,583,844	3,194,274	3,389,774
Miscellaneous income	1,748,472	272,568	417,764	246,365	1,019,661	3,555,003	312,213	251,140	242,283	285,897
Transfers	-	7,164,540	-	-	-	1,132,598	-	-	-	-
Total governmental activities	\$ 60,632,883	\$ 67,224,228	\$ 80,691,222	\$ 108,236,030	\$ 130,069,808	\$ 135,999,286	\$ 144,988,955	\$ 149,994,361	\$ 189,416,867	\$ 181,383,014
Business-type activities:										
Miscellaneous income	\$ 55,257	\$ 4,528	\$ —	\$ —	\$ 1,150	\$ 99	\$ —	\$ —	\$ —	\$ —
Investment earnings	7,649	93,847	49,845	51,045	34,095	-	-	-	-	-
Transfers	-	(7,164,540)	-	-	-	(2,000,000)	-	-	-	-
Total business-type activities	\$ 62,906	\$ (7,066,165)	\$ 49,845	\$ 51,045	\$ 35,245	\$ (1,999,901)	\$ —	\$ —	\$ —	\$ —
Total primary government	\$ 60,695,789	\$ 60,158,063	\$ 80,741,067	\$ 108,287,075	\$ 130,105,053	\$ 133,999,385	\$ 144,988,955	\$ 149,994,361	\$ 189,416,867	\$ 181,383,014
Change in Net Position										
Governmental activities	(1,659,989)	1,284,428	(808,124)	4,384,466	4,065,940	5,141,432	(14,170,350)	(1,115,242)	26,410,812	5,198,161
Business-type activities	1,079,589	(5,186,244)	280,375	(155,873)	(12,725)	(2,014,829)	(255,551)	(326,229)	(256,044)	(242,169)
Total primary government	\$ (580,400)	\$ (3,901,816)	\$ (527,749)	\$ 4,228,593	\$ 4,053,215	\$ 3,126,603	\$ (14,425,901)	\$ (1,441,471)	\$ 26,154,768	\$ 4,955,992

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund			Restated	Restated						
Non-spendable	\$ 1,421,568	\$ 2,996,772	\$ 2,825,564	\$ 3,273,634	\$ 3,813,422	\$ 3,768,136	\$ 4,185,744	\$ 3,669,133	\$ 2,079,066	\$ 3,860,742
Restricted	1,855,245	1,907,503	358,245	832,863	4,334,557	4,377,298	4,941,307	4,954,067	6,148,807	6,058,646
Committed	—	—	—	—	—	31,501,896	—	—	—	—
Assigned	—	—	—	—	—	132,598	—	—	—	—
Unassigned	33,265,913	34,738,963	33,822,836	47,181,196	46,192,185	8,580,938	32,899,435	41,285,675	46,626,952	46,314,356
Total general fund	<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>	<u>\$ 49,908,875</u>	<u>\$ 54,854,825</u>	<u>\$ 56,233,744</u>
All Other Governmental Funds										
Non-spendable	—	—	—	—	—	5,466,332	8,447,917	5,382,371	3,958,687	19,184
Restricted: Cherry Hills Property Tax Fund	448,375	498,984	558,250	620,354	689,471	753,516	852,733	988,343	1,222,106	1,455,373
Restricted: Excise tax revenue	—	—	—	—	—	942,805	1,423,170	2,151,795	2,565,650	3,560,036
Committed	—	—	—	—	—	5,056,912	10,249,126	3,941,445	18,941,434	29,958,307
Assigned, reported in:										
Capital project funds	5,351,715	30,165	—	—	—	—	—	—	—	—
Special revenue funds:										
SMFR Fund	—	—	150,000	—	—	—	—	—	—	—
CFPD Fund	—	—	150,000	—	—	—	—	—	—	—
Total all other governmental funds	<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>	<u>\$ 12,463,954</u>	<u>\$ 26,687,877</u>	<u>\$ 34,992,900</u>

South Metro Fire Rescue Fire Protection District

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues			Restated	Restated						
Property taxes	\$ 53,737,957	\$ 54,069,865	\$ 71,775,702	\$ 97,206,003	\$ 113,457,721	\$ 114,866,725	\$ 125,272,691	\$ 124,311,095	\$ 163,666,831	\$ 154,448,572
Specific ownership taxes	4,542,980	5,263,971	6,208,669	8,665,297	8,924,544	9,420,319	9,526,233	9,859,737	10,211,486	10,203,997
Excise taxes	-	-	-	-	347,056	577,988	480,365	728,625	413,856	994,385
Net investment earnings	556,239	381,539	897,067	1,956,095	1,223,376	(94,533)	58,443	3,337,356	4,111,423	4,435,747
Charges for service - transports*	-	-	6,089,477	9,980,440	9,695,303	11,691,509	12,769,267	14,092,457	14,951,172	16,864,655
Charges for service - plan review	-	-	1,637,111	2,535,506	1,808,045	1,822,037	2,450,898	2,241,971	2,030,546	2,557,747
Contracted services	-	-	-	9,092,902	312,120	318,362	-	-	-	-
Medicare/Medicaid supplemental fee	-	-	-	2,345,340	5,543,184	6,191,645	6,951,772	7,433,403	7,234,628	7,020,710
Dispatch fees**	-	-	1,035,219	106,494	115,770	116,726	121,721	140,092	157,353	152,339
Intergovernmental and other reimbursements**	-	-	1,082,535	1,184,460	2,037,085	1,720,567	1,989,489	3,583,844	3,194,274	3,389,774
Lease rental income	217,357	155,553	151,091	173,195	180,249	209,527	209,514	195,706	206,885	202,579
Grants and contributions	-	-	-	-	-	-	167,080	2,938,490	1,000,719	337,025
Other	3,126,271	3,990,901	1,085,546	683,108	1,138,445	302,111	145,132	251,140	242,283	285,897
Total Revenues	62,180,804	63,861,829	89,962,417	133,928,840	144,782,898	147,142,983	160,142,605	169,113,916	207,421,456	200,893,427
Expenditures										
Public Safety										
Administration	21,497,558	22,069,455	27,541,683	33,425,842	31,675,249	31,338,790	39,609,550	37,905,821	40,863,761	40,838,724
Operations	38,150,318	41,677,165	60,006,147	85,370,644	93,884,423	99,043,648	103,467,049	109,746,801	118,831,882	130,718,241
Fire Marshal	2,698,514	2,889,075	3,164,295	4,736,858	5,076,746	5,326,911	5,486,597	5,630,848	5,881,224	5,623,086
Dispatch	-	-	-	-	3,095,996	3,164,907	3,930,886	3,992,537	4,276,404	4,329,237
Debt Service ***										
Principal	-	-	-	-	-	-	552,305	1,996,317	1,691,769	1,570,657
Interest	-	-	-	-	-	-	20,886	123,714	111,408	93,708
Capital outlay	7,764,767	5,576,244	9,539,066	3,101,567	8,062,884	6,480,942	8,589,936	11,826,600	18,325,238	8,826,401
Total expenditures	70,111,157	72,211,939	100,251,191	126,634,911	141,795,298	145,355,198	161,657,209	171,222,638	189,981,686	192,000,054
Excess of revenue over (under) expenditures	\$(7,930,353)	\$(8,350,110)	\$(10,288,774)	\$7,293,929	\$2,987,600	\$1,787,785	\$(1,514,604)	\$(2,108,722)	\$17,439,770	\$8,893,373
Other Financing Sources (Uses)										
Lease and subscriptions issuance	-	-	-	-	-	2,041,002	2,237,700	1,069,348	1,537,574	417,817
Sale of capital assets	47,236	71,745	1,392,020	162,270	133,988	589,411	1,695,905	412,771	192,529	372,752
Transfer from other funds	1,445,577	6,107,936	88,794,752	106,889,940	15,000,000	17,497,415	15,000,000	-	30,000,000	15,000,000
Transfer (to) other funds	(401,757)	-	(88,794,752)	(106,889,940)	(15,000,000)	(16,364,817)	(15,000,000)	-	(30,000,000)	(15,000,000)
Total other financing sources (uses)	1,091,056	6,179,681	1,392,020	162,270	133,988	3,763,011	3,933,605	1,482,119	1,730,103	790,569
Net change in fund balances	\$ (6,839,297)	\$ (2,170,429)	\$ (8,896,754)	\$ 7,456,199	\$ 3,121,588	\$ 5,550,796	\$ 2,419,001	\$ (626,603)	\$ 19,169,873	\$ 9,683,942
Debt service as a percentage of noncapital expenditures	—%	—%	—%	—%	—%	—%	0.4 %	1.3 %	1.1 %	0.9 %

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

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

***Starting in 2022, lease and subscription assets Principal & Interest expense are reported on the Governmental Fund level.

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
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
2023	124,311,095	9,859,737	134,170,832
2024	163,666,831	10,211,486	173,878,317
2025	154,448,572	10,203,997	164,652,569

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 Property Assessed Value	Personal Property Assessed Value*	Real Property Actual Value	Personal Property Actual Value*	SMFR Mill Levy	Ratio of Total Assessed to Total Estimate Actual Value	Residential Property Assessment Ratio	Commercial Property Assessment Ratio
2016	5,663,707,647	585,259,348	48,575,497,159	2,033,871,376	9.25	12.35 %	7.96 %	29.00 %
2017	5,719,186,598	609,450,211	49,293,495,859	2,101,534,429	9.25	12.31 %	7.96 %	29.00 %
2018 ^(A)	6,959,830,755	609,646,295	64,769,394,048	2,102,342,901	9.25	11.32 %	7.20 %	29.00 %
2019 ^(B)	9,833,539,324	791,205,973	97,289,094,814	2,727,335,684	9.25	10.62 %	7.20 %	29.00 %
2020	12,050,269,207	896,312,573	120,934,573,594	3,091,455,902	9.25	10.44 %	7.15 %	29.00 %
2021	12,174,310,839	899,099,709	122,665,417,907	3,100,635,856	9.25	10.40 %	7.15 %	29.00 %
2022	13,273,841,117	877,088,648	132,820,283,126	3,026,518,643	9.32	10.42 %	7.15 %	29.00 %
2023 ^(C)	13,178,700,013	888,912,602	135,036,508,481	3,066,961,882	9.29	10.19 %	6.95 %	29.00 %
2024	16,223,889,260	1,120,803,784	177,594,298,083	4,019,607,623	9.25	9.55 %	6.70 %	27.90 %
2025	16,375,047,024	1,185,509,994	180,058,601,523	4,252,049,441	9.29	9.53 %	6.70 %	27.90 %

*Non-residential

Note 1: 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

Note 2: In 2025, residential properties made up 65.4% of real property assessed values and 88.7% of real property actual values.

^(A) 2018 and beyond includes Cunningham Fire Protection District Assessed and Actual values.

^(B) 2019 and beyond includes Littleton Fire Rescue Assessed and Actual values.

^(C) 2023 Residential assessment rate decreased to 6.80% (multifamily) and 6.95% (all other residential).

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>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
South Metro Fire Rescue	9.250	9.250	9.250	9.250	9.250	9.250	9.319	9.288	9.250	9.290
Cunningham Fire Protection District	—	—	14.603	14.600	9.250	—	—	—	—	—
<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	16.500	16.500
City of Centennial	5.026	2.087	5.003	5.002	5.033	5.033	5.013	5.008	5.010	5.002
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	4.711	4.280	4.496
City of Littleton				6.662	2.000	2.000	2.000	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	4.982	4.982	4.982	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	14.039	14.039	13.301	11.685	11.685	12.013	11.762	12.750	11.206	15.885
Douglas County	18.774	24.274	24.274	24.274	24.274	24.274	24.024	24.024	24.274	24.274
Jefferson County	26.978	26.978	26.978	24.274	22.332	23.578	26.241	26.978	21.478	21.478
<u>School Districts</u>										
Cherry Creek School District #5	53.232	49.687	49.995	46.997	49.724	49.012	49.012	49.863	47.567	53.962
Douglas County School District	42.439	41.064	44.950	43.840	43.504	43.504	43.797	42.836	40.730	45.528
Littleton Public School District	53.030	53.030	51.166	56.945	64.740	64.744	64.936	67.061	62.847	64.793
Jefferson County R-1 School District	47.490	45.940	42.878	49.410	47.070	48.105	45.520	46.133	44.526	44.488
<u>Other Local Governments</u>	646.746	636.321	663.375	611.781	580.611	526.838	780.400	786.180	722.824	709.229

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

	2025			2016		
			Per Cent of Total			Per Cent of Total
Taxpayer	Assessed Value	Rank	Assessed Value	Assessed Value	Rank	Assessed Value
Park Meadows Mall LLC	129,511,790	1	0.74%	58,592,530	1	1.02%
Lockheed Martin Corp	106,155,466	2	0.60%			
HCA HealthOne LLC	100,489,390	3	0.57%	54,722,650	2	0.95%
Martin Marietta Corporation	77,451,500	4	0.44%			
Prime US-Village Center Station II LLC	34,713,630	5	0.20%			
6340 Fiddlers Green Circle LP	32,585,220	6	0.19%			
Kaiser Foundation Hospitals	30,880,270	7	0.18%			
Granite Place LLC	30,128,490	8	0.17%			
Greenwood Property Corp	28,002,780	9	0.16%	30,879,200	4	0.54%
CS Lone Tree LLC	25,592,070	10	0.15%			
Verizon Wireless				47,592,540	3	0.83%
Portercare Adventist Health System				26,230,230	5	0.46%
Portercare Adventist Health System				25,568,410	6	0.44%
Qwest Corp				24,261,200	7	0.42%
GPI Plaza Tower				23,807,550	8	0.41%
Public Service of Colorado				23,660,220	9	0.41%
Denver CB Center 2 LLC				16,940,640	10	0.29%
	<u>\$ 595,510,606</u>		<u>3.39 %</u>	<u>\$ 332,255,170</u>		<u>5.77 %</u>

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
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 %
2023	124,857,365	123,835,668	99.18 %	475,427	124,311,095	99.56 %	1,010,845	0.810 %
2024	162,279,871	163,762,777	100.91 %	(95,946)	163,666,831	100.85 %	671,108	0.414 %
2025	155,591,936	154,777,761	99.48 %	(329,189)	154,448,572	99.27 %	1,448,345	0.931 %

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	Lease Liability	Subscription Liability	Certificates of Participation			
2016	—	—	—	—	—	—	—
2017	—	—	—	—	—	—	—
2018	—	—	—	—	—	—	—
2019	—	—	—	—	—	—	—
2020	—	—	—	—	—	—	—
2021	—	—	—	—	—	—	—
2022	—	3,258,042	—	—	—	3,258,042	5.57
2023	—	2,665,223	1,355,660	—	—	4,020,883	6.71
2024	—	2,136,051	1,618,126	—	—	3,754,177	6.21
2025	—	1,492,725	1,108,611	—	—	2,601,336	4.26

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, 2025

	Net Debt Outstanding	Percentage Applicable to District*	Amount Applicable to District
DIRECT:			
South Metro Fire Rescue	\$ 2,601,336	100 %	\$ 2,601,336
OVERLAPPING:			
Arapahoe County	16,178,292.00	61 %	9,868,758
Jefferson County	37,006,440	6 %	2,220,386
Cherry Creek School District #5	854,671,900	65 %	555,536,735
Douglas County School District	514,723,015	71 %	365,453,341
Jefferson County R-1 School District	668,811,377	6 %	40,128,683
Littleton Public School District	387,893,059	5 %	19,394,653
City of Castle Pines	328,906.00	100 %	328,906
City of Greenwood Village	1,857,289	100 %	1,857,289
City of Lakewood	12,712,884	2 %	254,258
City of Littleton	3,532,165	98 %	3,461,522
City of Lone Tree	52,683,662	100 %	52,683,662
Town of Parker	36,059,086	100 %	36,059,086
Other Local Governments	819,502,241	84 %	689,125,227
Total Overlapping Debt	\$ 3,405,960,316		\$ 1,776,372,506
Total Direct & Overlapping Debt			\$ 1,778,973,842

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				
	2016	2017	2018	2019	2020
Total Assessed Value	\$ 5,760,702,401	\$ 5,837,254,988	\$ 7,823,668,573	\$ 12,387,082,905	\$ 12,986,634,357
Debt Limit - 50% of total assessed value (1)	2,880,351,201	2,918,627,494	3,911,834,287	6,193,541,453	6,493,317,179
Amount of debt applicable to debt limit	-	-	-	-	-
Less amount available for debt service	-	-	-	-	-
Net amount of debt applicable to debt limit					
Legal debt margin	\$ 2,880,351,201	\$ 2,918,627,494	\$ 3,911,834,287	\$ 6,193,541,453	\$ 6,493,317,179

	2021	2022	2023	2024	2025
Total Assessed Value	\$ 14,061,183,368	\$ 13,979,077,519	\$ 17,240,087,090	\$ 17,560,557,018	\$ 17,559,409,246
Debt Limit - 50% of total assessed value (1)	7,030,591,684	6,989,538,760	8,620,043,545	8,780,278,509	8,779,704,623
Amount of debt applicable to debt limit	-	-	-	-	-
Less amount available for debt service	-	-	-	-	-
Net amount of debt applicable to debt limit					
Legal debt margin	\$ 7,030,591,684	\$ 6,989,538,760	\$ 8,620,043,545	\$ 8,780,278,509	\$ 8,779,704,623

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
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	\$ 99,168	40.5	60.0 %	63,876	2.50 %
2023	381,500	\$ 99,168	39.7	58.0 %	62,341	3.00 %
2024	383,911	\$ 102,928	39.8	62.0 %	61,409	4.30 %
2025	399,396	\$ 107,204	N/A	N/A	N/A	3.20 %

(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
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 %	53,587	5.80 %
2022	655,808	\$ 76,304	38.0	44.9 %	52,392	3.10 %
2023	661,234	\$ 81,414	37.4	43.0 %	52,419	3.40 %
2024	666,918	\$ 84,131	37.3	46.5 %	52,672	4.40 %
2025	673,820	N/A	N/A	N/A	51,844	3.50 %

(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
Demographic and Economic Statistics
Last Ten Fiscal Years (Jefferson County)

Fiscal Year	Population	Per Capita Income (1)	Median Age	Education Level (2)	School Enrollment (3)	Unemployment Rate
2019	582,308	\$ 66,571	41.0	45.5 %	84,623	2.50 %
2020	582,928	\$ 69,118	41.3	46.7 %	84,048	7.10 %
2021	579,581	\$ 74,822	41.5	47.9 %	80,088	5.00 %
2022	580,774	\$ 80,367	41.7	49.1 %	69,000	3.00 %
2023	576,366	\$ 78,911	41.3	48.4 %	76,172	3.30 %
2024	578,533	\$ 83,374	41.6	52.0 %	75,495	4.30 %
2025	580,451	N/A	N/A	N/A	74,177	3.40 %

(1) Jefferson 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) Jefferson County R-1 School District

Sources: Federal Reserve Bank of St. Louis, Colorado Division of Local Government

Demographics, Jefferson County Economic Development Corp., and U.S Census Bureau-
Jefferson County

Note: For information prior to 2019, refer to Jefferson County ACFR.

(1) Jefferson 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) Jefferson County R-1 School District

South Metro Fire Rescue Fire Protection District
Principal Employers
December 31, 2025

	2025		2016	
	Employees	Rank	Employees	Rank
Jefferson County R-1 Schools	14,000	1		
Douglas County School District	8,500	2		
Lockheed Martin	7,000	3		
Cherry Creek School District No. 5	6,900	4		
Denver Federal Center	6,200	5		
Adams Arapahoe Aurora Public Schools	5,100	6		
City of Aurora	4,400	7		
Charles Schwab	3,800	8		
National Renewable Energy Lab	3,145	9		
Jefferson County	3,127	10		
United Global			15,000	1
Dish Network Corporation			6,500	2
Western Union Fincl Svcs Inc			3,200	3
Centura Health			3,096	4
Advantedge Busines Group			1,500	5
Jeppesen Sanderson			1,400	6
IHS Global			1,400	7
Solarcity Corporation			1,340	8
CH2M Hill			1,200	9
Adventist Health System			1,002	10
	<u>62,172</u>		<u>35,638</u>	

Source: Arapahoe and Douglas Counties ACFR

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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Operations	302.00	332.00	401.00	608.00	641.00	596.00	612.00	626.00	646.00	615.00
Administration	34.00	35.00	71.00	77.00	80.00	78.00	91.00	94.00	96.00	110.00
Fire Marshal	23.00	28.00	34.00	28.00	30.00	34.00	34.00	31.00	31.00	34.00
Fleet Services	10.00	12.00	14.00	13.00	15.00	13.00	15.00	15.00	15.00	-
Dispatch	-	-	-	-	-	-	-	-	-	22.00
Ambulance	22.00	-	-	-	-	-	-	-	-	-
Total FTE	391.00	407.00	520.00	726.00	766.00	721.00	752.00	766.00	788.00	781.00

Source: South Metro Fire Rescue Fire Protection District Finance Department

- (1) Beginning in 2017, ambulance FTEs are included in the Operations line
- (2) Prior to 2025, dispatch FTEs were included in the Operations line.
- (3) Beginning in 2025, fleet FTEs are included in the Administration line.

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Field Operations (in & out of district)										
Fire Calls	443	458	587	713	1,032	793	846	583	647	657
Emergency Medical Calls	11,552	12,139	16,375	27,810	26,620	30,299	32,658	33,654	33,565	34,536
Alarms	2,187	2,179	2,837	4,355	4,039	4,380	4,785	4,830	5,105	5,281
Others	1,751	1,442	2,324	3,079	2,915	3,162	3,509	3,124	3,044	2,744
Number of hours of firefighter training	80,035	52,472	51,545	104,236	115,378	109,276	135,692	101,591	137,852	112,878
Hours of officer trainings	5,770	3,761	2,403	16,593	20,614	17,699	14,430	3,705	14,535	29,392
Hours of driver/operator trainings	3,698	2,035	3,698	11,834	13,464	18,932	18,658	11,634	19,599	23,755
Support Services										
Square footage of building maintained	320,084	320,084	387,846	452,385	460,805	460,805	460,805	460,805	460,805	471,805
Fire Marshal Office										
Fire Investigations	330	310	474	600	185	129	719	737	654	563
Plan Reviews	3,517	4,189	5,879	6,215	5,050	5,709	7,053	6,542	6,493	7,294
Construction Inspections	3,799	5,568	6,502	6,183	5,662	5,994	7,077	7,627	7,370	7,311
Business Inspections	-	3,158	4,308	4,324	5,372	6,032	11,295	12,520	12,553	12,745
South Metro Safety Foundation Classes	122	163	165	287	84	143	174	172	183	195
Car seat checks	366	326	309	432	422	498	436	407	416	369
Apparatus/Crew resident attended	-	-	-	-	-	-	-	-	-	-
Prevention staff community/school students	-	9,847	37,748	44,641	12,116	38,841	24,857	21,401	23,839	23,696
Youth firesetter intervention	-	46	21	22	1	18	13	9	21	14
Fleet Services										
Total number of warranty repairs	28	13	44	12	25	23	3	-	-	5
Total billable shop labor hours	8,843	9,865	9,939	11,185	8,546	10,375	15,274	14,597	15,033	11,293
Shop productivity rate	83.5 %	85.5 %	84.6 %	90.2 %	98.0 %	70.0 %	76.7 %	73.6 %	76.1 %	78.0 %
Total number of repairs	2,911	3,198	3,153	3,868	4,252	6,378	3,920	3,607	3,997	3,306
Ambulance										
EMS Transports (in district only)	6,226	7,350	9,748	18,590	17,792	20,467	22,266	25,512	24,256	24,683
% of Transports to Castle Rock Adventist	-	-	1.16 %	0.57 %	0.53 %	0.85 %	1.53 %	1.29 %	1.04 %	1.07 %
% of Transports to Centennial Health	-	-	0.78 %	0.77 %	0.83 %	2.06 %	2.91 %	2.88 %	4.02 %	4.23 %
% of Transports to Childrens Hospital	-	-	1.06 %	1.91 %	1.56 %	2.25 %	2.39 %	3.13 %	2.19 %	2.58 %
% of Transports to Littleton Hospital	5.00 %	5.05 %	2.42 %	30.48 %	27.87 %	25.50 %	23.89 %	24.06 %	23.40 %	23.85 %
% of Transports to Medical Center of Aurora	-	-	11.27 %	5.96 %	5.45 %	5.20 %	4.99 %	5.14 %	4.57 %	4.85 %
% of Transports to Parker Adventist Hospital	34.00 %	36.65 %	33.78 %	17.86 %	18.96 %	16.69 %	16.68 %	16.10 %	17.00 %	18.09 %
% of Transports to Porter Adventist Hospital	1.00 %	1.05 %	0.97 %	0.59 %	0.62 %	0.62 %	0.62 %	0.31 %	0.38 %	0.60 %
% of Transports to Rose Medical Center	-	-	0.41 %	0.32 %	0.26 %	0.36 %	0.30 %	0.26 %	0.20 %	0.19 %
% of Transports to Skyridge Medical Center	47.00 %	52.73 %	40.88 %	29.37 %	27.79 %	26.70 %	24.94 %	23.05 %	24.64 %	24.27 %
% of Transports to Southlands Medical	-	-	1.14 %	0.65 %	0.70 %	0.81 %	0.67 %	0.63 %	0.42 %	0.47 %
% of Transport to Swedish Medical Center	7.00 %	5.81 %	3.81 %	6.79 %	6.27 %	6.34 %	5.97 %	5.52 %	5.98 %	5.76 %
% of Transport to UC Health	-	-	-	4.21 %	8.69 %	11.96 %	14.27 %	13.14 %	14.26 %	13.75 %
% of Transports to University Hospital	-	-	1.42 %	0.21 %	0.09 %	0.16 %	0.08 %	3.70 %	—%	0.06 %
% of Transports to All Others	-	-	0.90 %	0.32 %	0.38 %	0.51 %	0.75 %	0.80 %	1.90 %	0.46 %
Collection Rate	52.71 %	51.99 %	72.00 %	76.00 %	72.00 %	71.00 %	71.00 %	67.00 %	66.00 %	62.00 %

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									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Field Operations										
Fire Stations	17	17	20	29	30	30	30	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	18	23	33	32	32	30	36	36	36	35
Tenders	6	6	8	6	6	6	6	6	6	6
Quints	1	-	-	-	-	-	-	-	-	-
Squirts	-	-	2	-	-	-	-	-	-	-
Aerials	7	7	9	9	9	9	9	10	11	11
ARFF vehicles	3	3	3	3	3	3	3	5	5	5
Chief/Staff vehicles	15	16	20	18	17	9	12	12	14	10
BC Vehicles	9	8	14	13	13	12	16	16	18	19
Wildland vehicles	18	19	23	23	20	20	20	22	22	22
Hazmat vehicles	2	2	3	3	3	1	3	3	4	4
Utility vehicle	1	1	1	-	-	2	4	5	5	5
Snow Cat	1	1	1	1	1	1	-	-	-	-
Dive Unit	1	1	2	2	2	2	2	2	2	2
Watercraft	1	1	1	1	1	1	1	1	1	2
Heavy Rescue	3	2	7	4	4	4	4	4	4	4
Tow Vehicles	2	2	2	1	1	1	3	2	2	1
Command vehicle	1	1	1	1	-	-	-	-	-	-
Plow/Ladder testing truck	1	1	4	2	6	5	3	4	4	4
Trailers	15	20	27	28	27	27	24	24	26	22
Support Services										
Headquarters buildings	1	1	1	1	1	1	1	1	1	1
Pool vehicles	1	1	1	-	3	3	3	2	2	-
Support Chief/Staff vehicles	5	20	22	39	40	40	40	40	45	43
Storage locations	1	2	2	2	2	2	3	3	3	3
Fire Marshal										
Pool vehicles	2	1	1	3	3	3	2	2	2	2
Assigned vehicles	22	22	25	25	27	24	25	25	25	25
Fleet Services										
Repair shop	1	1	1	1	1	1	1	1	1	1
Repair vehicles	2	3	2	2	2	2	2	2	2	2
Parts vehicles	3	1	1	1	-	-	-	-	-	-
Pool vehicles	7	5	2	2	2	-	-	-	-	-
IMT Vehicle	1	1	3	-	-	-	-	-	-	-
Lift	2	1	9	13	13	12	12	12	12	12
Overhead crane	1	1	1	1	1	1	1	1	1	1
Ambulance										
Medic units	18	22	27	25	28	25	20	25	25	25
ARM vehicle	1	1	1	1	2	2	2	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 (Government Auditing Standards), 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, 2025, and the related notes to the financial statements, which collectively comprise District's basic financial statements, and have issued our report thereon dated June 5, 2026.

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.

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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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.

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 Mazars, LLP

Denver, Colorado

June 5, 2026

**South Metro Fire Rescue Fire Protection District
Schedule of Findings and Responses
Year Ended December 31, 2024**

<u>Reference Number</u>	<u>Summary of Findings</u>	<u>Status</u>
2024-001	The audit noted opportunities to refine the District's application of new accounting standards and certain internal reporting processes. During implementation of GASB Statement No. 101, adjustments were identified to more fully align the compensated absences liability with the standard, including consideration of leave expected to be used and related District expenses. In addition, the District self-identified and corrected a prior-year misstatement under GASB Statement No. 100 related to the self-insured internal service fund. Overall, these items reflect the District's ongoing efforts to strengthen compliance with evolving GASB requirements and enhance the clarity and structure of financial reporting.	Implemented