



NOTICE

SPECIAL BOARD MEETING

SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT

Special Board of Directors' Meeting

scheduled for

July 17, 2023 at 6:00 p.m.

9195 East Mineral Avenue, Centennial, CO

Has been moved to

Joint Services Facility, 17801 East Plaza Drive, Parker, CO



SOUTH METRO FIRE RESCUE
Special Board of Directors' Meeting
July 17, 2023
JSF, 17801 East Plaza Drive, Parker, CO

I. SPECIAL BOARD MEETING – 6:00 P.M. – Auditorium

A. MEETING CALL TO ORDER

B. PLEDGE OF ALLEGIANCE

C. ROLL CALL

D. APPROVAL OF THE AGENDA

E. PUBLIC COMMENT

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

F. DISCUSSION ITEMS

1. Apparatus Replacement Schedule – Richardson/Frank
 - i. Fleet Facility Tour
2. Board Bylaws Modifications – Dell’Orfano

G. ACTION ITEMS

1. 2022 Annual Comprehensive Financial Report and Audit - Miskimins

H. INFORMATION ITEMS

1. Club Valencia Fire Update – Curtis

I. EXECUTIVE SESSION (upon motion)

J. NEXT MEETING(S)

2024 Budget Study Session to be held on July 19, 2023, 12:00 p.m. at 9195 East Mineral Avenue, Centennial, CO

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

K. ADJOURNMENT

SOUTH METRO FIRE RESCUE

BOARD AGENDA

MEETING DATE: 7/17/2023

AGENDA ITEM TYPE: DISCUSSION ITEM

SUBJECT: Apparatus Replacement Schedule Update

BACKGROUND: Line Support and Fleet Services has been working closely with Operations and Finance to identify apparatus replacement needs, keep capital spending amounts within the previously approved replacement schedule, and balance continued long lead times. Currently, the selected Medic Vendor (AEV) and Aerial/Engine Vendor (Pierce) are projecting 150 weeks order to delivery for apparatus. If SMFR placed an order for Medics, Towers or Engines today, we would not take delivery of the units until sometime in 2026. With delays to build times, Fleet Services is proposing capital funding be pushed from 2025 into 2026 to fund the order of – Two (2) Engines (\$1.3M EA), five (5) 4x4 Medics (\$301K EA) & Two (2) Aerial units (\$2M EA) for a total spend of \$8.105M in 2026.

RECOMMENDATION: Discussion Only- Meet @ August Regular Meeting for Potential Action Item

SUBMITTED BY: John Frank, Fleet Services Director

APPROVED BY: Scott Richardson, Division Chief of Line Support

2024			2025			2026			
Type/Assign	Budget Year Funds	Planned Replacement	Unit Type/Assignment	Budget Year Funds	Planned Replacement	Unit Type/Assignment	Budget Year Funds	Carried-Over Funds	Planned Replacement
	\$1,693,795.00	3342 (2006)	BC/DC	\$150,000.00	2201 (2017)	Engine	\$1,300,000.00		3337 (2003)
	\$883,082.00	3330 (2000)	BC/DC	\$150,000.00	2267 (2016)	Engine	\$1,300,000.00		3338 (2007)
	\$883,082.00	3331 (2000)	BC/DC	\$150,000.00	2268 (2017)	Medic (4x4)		\$301,000.00	2673 (2017)
	\$883,082.00	3335 (2000)	Special	\$500,000.00	3348 (1994)	Medic (4x4)		\$301,000.00	2672 (2012)
	\$883,082.00	3336 (2000)	Special	\$500,000.00	2363 (2008)	Medic (4x4)		\$301,000.00	2264 (2016)
			Special	\$200,000.00	New Boat	Medic (4x4)	\$301,000.00		2265 (2016)
						Medic (4x4)	\$301,000.00		2272 (2016)
						Tower	\$2,000,000.00		3343 (2006)
						Tower		\$2,000,000.00	3367 (2006)
Budget Total	\$5,226,123.00		Capital Budget Total	\$1,650,000.00		Capital Budget Total	\$5,202,000.00	2025 Carried-Over Funds	\$2,903,000.00
Total Spend in 2024: \$5,226,123			Total Spend in 2025: \$1,650,000.00			Total Spend in 2026: \$8,105,000			

BOARD OF DIRECTORS AGENDA ITEM

STAFF REPORT



Meeting Date: 7/17/2023

Agenda Item Type: Discussion Item

Agenda Item: Board Bylaws Modifications

Submitted By: Mike Dell'Orfano

Approved: Bob Baker

SUMMARY:

The Board Bylaws Committee has reviewed the February 17, 2020 Restated Bylaws and has proposed several modifications. These changes are recommended in order to clarify intent, formalize processes, and incorporate legislative updates. The July 17, 2023 special board meeting will be an opportunity for discussion and direction prior to approval, if desired.

BACKGROUND:

In 2019, the board created the Board Bylaws and Boardsmanship Committee (now referred to as the Board Bylaws Committee) in order to monitor legislative updates, review staff or board recommended changes, and periodically review the bylaws to ensure alignment with current practices. During the 2023 review of the committee's charter and assignment of new board members, there was an opportunity to give the bylaws a fresh look. The committee requests the board review the attached red-lined document and additional insight into the proposed modifications will be provided during the July 17, 2023 special board meeting.

COST:

N/A

STRATEGIC INITIATIVE:

The board directed the formation of the Board Bylaws Committee with the mission to "help maintain bylaws that are legally compliant, effective, and provide a vision for the conduct and characteristics of board members in order to provide clear expectations to future board members and continue to build a strong team of elected officials that represent the community and help to lead the organization."

RECOMMENDED ACTION/MOTION:

The committee would appreciate input into the draft document in order to prepare a final version for board action (contemplated for the August 7, 2023 regular board meeting).

ALTERNATIVE OPTIONS:

While no action is requested at this meeting, the board could provide additional recommendations and ultimately approve all or a portion of the recommended changes.

ATTACHMENTS:

Draft September 1, 2023 Restated Bylaws

Chartering Group	Sponsor	Chair	Committee Inception Date
Board of Directors	Government Affairs	N/A	10/07/2019

Mission Statement	The mission of the committee is to help maintain bylaws that are legally compliant, effective, and provide a vision for the conduct and characteristics of board members in order to provide clear expectations to future board members and continue to build a strong team of elected officials that represent the community and help to lead the organization.
Scope	Propose changes to bylaws and related documents and provide feedback to board or staff's recommendations. Provide on-going monitoring, discussion, and updating of documents as needed.
Goals & Objectives	<ul style="list-style-type: none"> Annually evaluate changes to legislation to determine if any new laws impact the contents of the bylaws and draft changes as needed. Annually solicit board and staff input on the bylaws and draft changes as needed.
Success Indicators	<ul style="list-style-type: none"> Bylaws that ensure relevance and compliance as laws and needs of the organization evolve into the future.
Feedback Plan (How are we to be communicating)	Provide updates as necessary at board meetings and help describe proposed changes that are presented for board review/approval.
Meeting Frequency & Schedule Posting	On an annual basis upon the completion of legislative sessions or as needed.
Decision Making Process	The Committee makes recommendations to the Board of Directors for approval & implementation.
Team Members	Bill Shriver Kevin Leung Bob Cole Bob Baker Mike Dell'Orfano
Team Review Schedule	Annual review by Board of Directors or as needed following elections or other changes in board members/personnel.

**SOUTH METRO FIRE RESCUE
FIRE PROTECTION DISTRICT**

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~~FEBRUARY 17, 2020~~ SEPTEMBER 1, 2023 RESTATED BYLAWS

SECTION 1. AUTHORITY. South Metro Fire Rescue Fire Protection District (the "District") is a governmental subdivision of the State of Colorado and a body corporate with those powers of a public or quasi municipal corporation which are specifically authorized by, and in compliance with, Section 32-1-101 et seq., C.R.S. The District was created by court order and is located in Douglas, Arapahoe and Jefferson Counties.

SECTION 2. PURPOSE. It is hereby declared that the Bylaws hereinafter set forth will serve a public purpose.

SECTION 3. POLICIES-PHILOSOPHY OF THE BOARD. It shall be the ~~policy-philosophy~~ of the Board of Directors ("Board") of the District, consistent with the availability of revenues, personnel and equipment, to use its best efforts to provide the quality services as authorized under the District Service Plan or by law.

SECTION 4. BOARD OF DIRECTORS. Unless specifically required by law to be performed by the Board or otherwise delegated by the Board, all powers, privileges and duties vested in, or imposed upon, the District by law and as set forth herein shall be exercised and performed by the Fire Chief and District staff under the supervision of the Fire Chief, and with the assistance of District legal counsel, under the ultimate supervision of the Board, whether set forth specifically or impliedly in these Bylaws. The Board may delegate to officers, employees, and agents of the District any or all administrative, ministerial, and operational powers.

Without restricting the general powers conferred by these Bylaws, it is hereby expressly declared that the Board shall have the following powers and duties:

- a. To appoint, hire, supervise, terminate, remove or suspend the Fire Chief and District legal counsel. The Board hereby confers upon the Fire Chief the power to appoint, hire, supervise, terminate, remove or suspend employees or agents upon such terms and conditions as may seem fair and just and in the best interests of the District.
- b. To delegate by resolution to the Fire Chief and other management personnel who may make purchases of real and personal property, goods and services, and who may sign receipts, endorsements, checks, contracts, releases and other official documents on behalf of District.

- c. To create standing or special committees and to delegate such power and authority thereto as the Board deems necessary and proper for the performance of such committee's functions and obligations. The following standing committees have been created by the Board:
1. Audit ~~and Finance~~ Committee;
 2. Conflicted Matters Committee;
 3. Bylaws ~~and Policy~~ Committee;
 4. Fire Chief Performance Committee;
 5. Salary and Benefits Board Oversight Committee; and
 6. Community Outreach Committee.
- d. To prepare or cause to be prepared financial reports covering each year's fiscal activities; and such reports shall be available for inspection by the public, as required by law.

SECTION 5. OFFICE.

- a. **Business Office.** The principal business office of the District shall be at 9195 East Mineral Avenue, Centennial, Colorado 80112, until otherwise designated by the Board.
- b. **Establishing Other Offices and Relocation.** The Board, by resolution, may from time to time, designate, locate and relocate its executive and business office and such other offices as, in its judgment, are necessary to conduct the business of the District.

SECTION 6. MEETINGS.

- a. **Regular Meetings.** Regular meetings of the Board shall be conducted at the dates and times designated by Resolution of the Board at its first regular meeting of each year. When necessary and in its discretion, the Board may by motion change the time and date of regular Board meetings.
- b. **Special Meetings.** Special meetings of the Board may be called by the Chair or any two (2) Directors.
- c. **Meeting Public.** All meetings of the Board, other than executive sessions, shall be open to the public. Meetings include any and all sessions of the Board, at which a quorum of the Board (4 is a quorum if a full Board is in office) or three (3) or more Directors, whichever is less, are expected to be

in attendance for discussion of District business, either in person, telephonically, or electronically. Social gatherings at which no business of the District will be discussed are not considered meetings of the Board that are open to the public or for which notice is required.

- d. **Board Member Notice.** Section 6.a. and the annual Resolution designating regular meeting dates and times shall constitute formal notice of regular meetings to Directors, and no other notice shall be required to be given to the Board. Notice of special meetings shall be provided to Directors by email, telephone, or ~~United States Postal Service (USPS) mail~~ not less than twenty-four (24) hours in advance. ~~Notice delivered by USPS shall be deemed delivered at 5:00 p.m. on the third (3rd) day following the day on which it was deposited, postage prepaid.~~ Notice of multiple special meetings may be given by a single notice. Attendance by a Director at a regular or special meeting shall be deemed a waiver by the Director of the notice requirements of this subsection d.
- e. **Public Notice.** Public notice and an agenda for all meetings shall be posted not less than twenty-four (24) hours in advance as set forth in the Colorado Open Meetings Law. The District's webpage is designated for the posting of such notice pursuant to Section 24-6-401, C.R.S.
- f. **No Informal Action by Directors/Executive Sessions.** All official business of the Board shall be conducted at regular or special meetings. Executive sessions may be called at regular or special meetings, and conducted according to the following guidelines:
1. **Calling the Executive Session.** The topic for discussion in the executive session shall be announced in a motion, and the specific statute that authorizes the executive session shall be cited. The matter to be discussed shall be described in as much detail as possible without compromising the purpose of being in executive session. An affirmative vote of two-thirds (2/3) of the quorum in attendance shall be required to go into executive session.
 2. **Conducting the Executive Session.** No adoption of any proposed policy, position, resolution, rule, regulation, or formal action shall take place in an executive session. The discussion in executive session shall be limited to the reasons for which the executive session was called. An electronic recording of the actual contents of the discussion in the executive session shall be kept. No electronic recording or other record is necessary to be kept for any portions of the discussion which the District's attorney reasonably believes constitute attorney-client privileged communication. The attorney

shall state on the electronic record when any portion of the executive session is not recorded as an attorney-client privileged communication or sign a statement to the same effect.

3. **Records of Executive Sessions.** The electronic record of any executive session shall be retained by the District for ninety (90) days from the date of the executive session and then destroyed. Electronic recordings of the executive session, or transcripts or other reproduction of the same, shall not be released to the general public for review under any circumstances, except as required by law.
- g. **Adjournment and Continuance of Meetings.** When a regular or special meeting is for any reason continued to another time and place, notice need not be given of the continued meeting if the time and place of such meeting are announced at the meeting at which the continuance is taken. At the continued meeting, any business may be transacted which could have been transacted at the original meeting.
- h. **Emergency Meetings.** Notwithstanding any other provisions in this Section 6, emergency meetings may be called, without notice if notice is not practicable, by the Chair, Vice Chair or any two (2) Directors in the event of a declared emergency that requires the immediate action of the Board in order to protect the public health, safety, welfare or property of the owners, residents and visitors of the District. If possible, notice of such emergency meeting shall be given to the Directors by telephone, email, or whatever other means are reasonable to meet the circumstances of the emergency. At such emergency meeting, any action within the power of the Board that is necessary for the immediate protection of the public health, safety, welfare or property of the owners, residents and visitors of the District may be taken; provided, however, that any action taken at an emergency meeting shall be effective only until the first to occur of (a) the next regular meeting, or (b) the next special meeting of the Board at which the emergency issue is on the public notice of the meeting. At such subsequent meeting, the Board may ratify any emergency action taken. If any emergency action taken is not ratified, it shall be deemed rescinded as of the date of such subsequent meeting, although the validity and effectiveness of the emergency action during its effective time shall not be invalidated. A declared emergency for purposes of this subsection h. is an emergency within the District that has been declared by county or municipal government, the State of Colorado, the United States government, of any department or agency thereof, or the Chair, Vice Chair, or any two (2) Directors of the Board.

- i. **Email Meetings.** Section 24-6-402, C.R.S., requires that certain email correspondence between three (3) Directors (or, when two (2) Directors constitute a quorum, two (2) Directors), if said email correspondence discusses pending resolutions or other District business shall be considered a public meeting subject to the requirements of the Colorado Open Meetings Law.
- j. **Attendance at Meetings.** It is the Board's expectation that Directors will attend in person not less than seventy five percent (75%) of Board meetings. Section 24-6-402(1)(b), C.R.S. defines a meeting as "Any kind of gathering to discuss public business, in person, by telephone, electronically, or by other means of communication." Although electronic participation in Board meetings as a frequent or regular course is not acceptable, Directors may periodically attend meetings by telephone (or other electronic means), so long as they are able to reasonably receive the comments from the audience and any comments and discussion among other Directors and staff, and they are able to participate in the discussion.

SECTION 7. CONDUCT OF BUSINESS.

- a. **Board Meeting Rules of Procedure.** Meetings of the Board of Directors shall comply with the South Metro Fire Rescue Fire Protection District Board Meeting Rules of Procedure attached hereto as Exhibit A.
- b. **Quorum.** All official business of the Board shall be transacted at a regular or special meeting at which a quorum (majority) of the Directors are in attendance in person, telephonically, or electronically, except as provided in Section 6.h. above.
- ~~b.c.~~ **Official Actions.** All official actions of the Board shall be taken following a motion and an affirmative vote of a majority of Board members. The Board shall, by written resolution, take and document all actions intended to have a permanent or continuing effect, such as adoption of continuing policies, all actions required by state statute to be taken by resolution, and all actions deemed appropriate by the Board to be documented by resolution. Resolutions shall state the basis and context for the action being taken. All resolutions shall be indexed and kept with the minutes of the meetings of the Board. Motions and resolutions taking Board action may delegate authority to staff to take necessary actions and create more detailed policies and procedures to carry out the Board actions.
- ~~e.d.~~ **Vote Requirements.** Any action of the Board shall require the affirmative vote of a majority of the Directors in attendance and voting at a meeting properly called and at which a quorum is in attendance, except that to

convene an executive session of the Board, a two-thirds (2/3) affirmative vote is required, and approval of amendments to these Bylaws shall be as set forth herein.

e.e. Electronic Signatures. In the event the signature(s) of one (1) or more Directors or appointed signatories are required to execute a written document, contract, note, bond, deed, and/or other official papers of the District, and the appropriate individual(s) is unable to be physically present to sign said documentation, such individual or individuals are authorized to execute the documentation electronically via facsimile or email signature, unless said documentation provides otherwise. Any electronic signature so affixed to a document shall carry the full legal force and effect of any original, handwritten signature. Except as approved herein, this provision of these Bylaws shall not be interpreted as establishing the District's consent or authorization to bind District to any transaction by the use of electronic records or electronic means. This provision is made pursuant to Article 71.3 of Title 24, C.R.S., also known as the Uniform Electronic Transactions Act.

e.f. Setting Meeting Agendas. Agendas for Board meetings will be set by the Fire Chief or his/her designee in consultation with the Board Chair. The Board Chair or any two (2) Directors may require a matter be placed on a meeting agenda by written request provided to the Secretary and the Fire Chief. Agenda items added with little advanced notice to staff shall be tabled, if necessary, to allow a reasonable time to provide necessary support or briefing for the Board.

e.g. Order of Business. The business of all regular meetings of the Board shall be transacted generally in the following order, and as approved by the Board from time to time, and the agenda for such meetings shall describe in as much detail as is possible the topics within each category:

1. Meeting Call to Order;
2. Pledge of Allegiance;
3. Roll Call and Approval of any Excused Absences;
4. Approve the Agenda;
5. Public Comment;
6. Consent Agenda;

7. Action Items (Action Items are intended for matters for which Board action is proposed.);
8. Discussion/Potential Action Items (Discussion/Potential Action Items are intended for matters which need Board and staff discussion; to obtain direction for future action or inaction; or to develop the Discussion/Potential Action Item for future consideration as an Action Item. No action can be taken on a Discussion/Potential Action Item, ~~other than to schedule it again as a Discussion Item or as an Information Item or an Action Item for a future meeting~~unless the agenda clearly indicates that the board has the discretion to take action on a Discussion/Potential Action Item. An affirmative vote of two-thirds (2/3) of the quorum in attendance shall be required to change the Discussion/Potential Action Item to Action.A properly posted Discussion Item could become an Action Item by approval of a Motion to Reconsider approval of the Agenda to add the matter as an Action Item and return to that portion of the Agenda, see Section 7.a. and Exhibit A.)
9. Information Items (Information Items are limited to ~~short~~ briefings by staff or Directors on matters with ~~little or no discussion.~~ Nono action ~~can~~to be taken ~~on an Information Item,~~ other than to schedule it again as an Information Item, ~~or as,~~ a Discussion/Potential Action Item, or an Action Item for a future meeting.);
10. Executive Session (~~as needed~~ State Statutes specify the allowable matters that may be considered in an Executive Session. An Executive Session may be convened to discuss any agenda item involving a matter that is allowed by State Statute to be discussed in Executive Session regardless of whether an Executive Session is expressly identified on the agenda for that topic. No action may be taken during an Executive Session.);
11. Next Meeting; and
12. Adjournment.

g.h. Meeting Packets. The Fire Chief shall be responsible for seeing that packets for regular Board meetings are generally provided or available to Board members at least 96 hours on Wednesday before a ~~regular Monday~~regularly-scheduled Board meeting; or as soon as possible prior to an ad-hoc Board meeting~~and similarly in advance of other meetings held on other days.~~

h.i. Public Conduct at Meetings. Comments by members of the public shall be made only during the “Public Comment” portion of the meeting or a specified public hearing. Public comments shall be limited to three (3) minutes per individual and five (5) minutes per group spokesperson unless additional opportunity is given at the Board’s discretion. Each member of the public wishing to speak may be asked to fill out a form indicating name, address, topic or agenda item to be addressed. Disorderly conduct, harassment, or obstruction of or interference with meetings by physical action, verbal utterance, nuisance or any other means are hereby prohibited and constitute a violation of District rules. Such conduct may result in removal of person(s) responsible for such behavior from the meeting and/or criminal charges filed against such person(s). To the extent such occurrences arise and the person(s) responsible refuses to leave the premises, law enforcement authorities will be summoned. Prosecution will be pursued under all applicable laws, including without limitation Sections 18-9-108, C.R.S. (disrupting lawful assembly), 18-9-110, C.R.S. (public buildings - trespass, interference), and/or 18-9-117, C.R.S. (unlawful conduct on public property). Law enforcement may be requested to attend meetings at any time in which the Board believes their presence will assist in keeping peace and conducting public business. 9-1-1 will be called at any time that the Board or staff feels threatened or endangered.

i.i. Minutes. Within a reasonable time after approval, all resolutions, motions and minutes of Board meetings shall be recorded in a visual text format that may be transmitted electronically and kept for that purpose, and shall be attested by the Recording Secretary. Minutes of regular and special meetings shall be available for public review as soon as practicable following approval by the Board. Upon approval by the Board, such records shall be the official record of the Board meetings. Executive sessions shall be electronically recorded on audio tape or other electronic media, and such electronic recording or reproduction of the same shall be kept separate from minutes of regular sessions as described in Section 6.e of these Bylaws and shall not be open to the public except as required by law. Draft minutes are considered work product under the Colorado Open Records Act and are not available to the public until discussed by the Board in a public meeting or otherwise made public.

SECTION 8. POLICIES OF THE BOARD.

a. Policies Enacted by Board. The Board is a policy-making body and will adopt such policies by motion and resolution, motion, or direction to staff. Such policies may include, but not be limited to, bylaws, budgets, investments, funding strategies, reserves, fees and collections, fire code

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adoption, contracts and agreements, property disposal, records management, strategic plans, delegations, or other policies not delegated to staff. Unless otherwise directed, Board policies will be adopted by resolution. ~~containing context and policy statements and any direction to staff to create more detailed policies and procedures to carry out the overall Board policy.~~ The resolution shall also state the frequency and content and duration of the resolution and/or policy need and the frequency for it to be reviewed by the Board.

a.b. Compliance with District Policies. Directors shall comply with District Policies that are specifically applicable to the Board and its Directors, and also those that apply to District personnel to the extent the subject matter also extends to matters applicable to District Directors. Such policies include, but are not limited to, policies associated with conflicts of interest, sexual harassment, and use of technology and computing devices. District Directors shall participate in training and educational sessions called for in any such policies. The Fire Chief shall be responsible for coordinating with the Board for the scheduling of any such training or educational sessions, though it is the responsibility of individual Directors to attend such sessions.

b.c. Use of District Technology Systems. To allow efficiency in meeting public records requests and complying with requirements under the Colorado Open Records Act and the Open Meetings Law, Directors shall only use District technology systems for electronic communications that discuss District matters. In addition to communications, copies of all documents that discuss the public business of the District shall be stored on the District technology system. Directors that do not use the District's technology systems for communicating regarding the public business of the District or to retain public records are subject to the potential that their personal devices and document storage systems may be ordered by a Court to be seized and reviewed. Directors shall abide by the District's policies on use of technology and electronic mail, including Policies and Procedures 3.3.3 regarding Acceptable Use Policy and 3.3.7 regarding Mobile Device Policy, and Board Resolutions No. 2009-07 Adopting an Electronic Mail Policy and No. 2009-10 Amending the Authority's Electronic Mail Policy.

e.d. Board Member Standards of Conduct. In carrying out their responsibilities and representing the District, Board members shall comply with the Standards and Guidelines for Board Member Conduct attached hereto as Exhibit B.

SECTION 9. DIRECTORS, OFFICERS AND PERSONNEL.

- a. **Director Qualifications and Terms.** Directors shall be eligible electors of the Director district for which they are elected or appointed. The term of each Director shall be determined by relevant statutory provisions with regular elections held in ~~even numbered years through 2022, and thereafter~~ odd numbered years ~~beginning in 2023~~, and conducted in the manner prescribed by Articles 1 through 13.5, Title 1, and Part 8, Article 1, Title 32, C.R.S.
- b. **Faithful Performance Bonds.** The Fire Chief shall see that for each Director there is furnished, at the expense of the District, an individual, schedule or blanket surety bond or crime insurance in the sum of not less than one thousand dollars (\$1,000) each, conditioned on the faithful performance of the duties of his/her office. In addition, Fire Chief shall see that for the Treasurer there is furnished, at the expense of the District, a corporate fidelity bond or crime insurance in a sum of not less than five thousand dollars (\$5,000), conditioned upon the faithful performance of the duties of his/her office.
- c. **Director's Performance of Duties.** A Director of the District shall perform all duties of a Director, including duties as a member of any committee of the Board upon which the Director may serve, in good faith, in a manner which the Director reasonably believes to be in the best interests of District, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. In performing the Director's duties, the Director shall be entitled to rely upon information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by persons and groups listed in subparagraphs 1, 2 and 3 of this subsection c. The Director shall not be considered to be acting in good faith if he/she has knowledge concerning the matter in question that would cause such reliance to be unwarranted, and does not disclose such knowledge in a manner to call into question the information otherwise being relied upon. A person who in good faith performs the Director's duties shall not have any liability by reason of being or having been a Director of the District. Those programs and groups upon whose information, opinions, reports, and statements a Director is entitled to rely upon are:
1. One (1) or more officers or employees of the District whom the Director reasonably believes to be reliable and competent in the matters presented;
 2. Legal counsel, public accountants, or other persons as to matters which the Director reasonably believes to be within such persons' professional knowledge or expertise; and

3. A committee of the Board upon which the Director does not serve, duly designated in accordance with the provisions of the Bylaws, as to matters within the committee's designated authority, which committee the Director reasonably believes to merit confidence.
- d. **Oath of Office.** Each Director, before assuming the responsibilities of his/her office, shall take and subscribe an oath of office in the form prescribed by law.
- e. **Election of Officers.** The Board shall elect from its membership a Chair/President, Vice Chair/Vice President, Secretary, and Treasurer. The Board may, from time to time, appoint an acting officer in the absence of any individual officer. The election of the officers shall be conducted ~~annually~~ at the first regular meeting of the Board following each regular special district election, and at such times as deemed appropriate by the Board. Each officer so elected shall serve for a term of office until the first regular meeting of the Board following the next regular special district election, or as otherwise directed by the Board. Any officer may be removed by the Board, with or without cause, whenever in its judgment the best interests of the District will be served thereby. Under any circumstance, the term of a Board Officer shall continue until the election of his/her successor.
- f. **Vacancies.** ~~Any vacancy occurring on the Board shall be filled by an affirmative vote of a majority of the remaining Directors, as prescribed by law, with the appointee to serve until the next regular special district election, as prescribed by statute. The appointed individual must meet the statutorily prescribed qualifications for Directors and shall serve until the next regular election.~~ A Board member's office is vacant upon:
 1. Failure to meet qualifications;
 2. Failure to satisfy oath and bond requirements;
 3. Written resignation;
 4. Failure to remain qualified for office;
 5. Conviction of a felony;
 6. Removal from office or voidance of election by court;
 7. Failure to attend four (4) consecutive, regular Board meetings where the absences have been entered into the meeting minutes as

unexcused. Absences shall be excused for temporary mental or physical disability or illness; or

8. Death.

g. Filling Vacancies. Any vacancy occurring on the Board shall be filled by an affirmative vote of a majority of the remaining Directors, as prescribed by law, with the appointee to serve until the next regular District election, as prescribed by statute. The appointed individual must meet the statutorily prescribed qualifications for Directors and shall serve until the next regular election. The process for filling a vacancy shall be in accordance with statutes and the procedures listed below. A majority of the Board can determine to fill a vacancy in an alternative manner based on specific circumstances.

1. Advertisement: The vacancy, qualification, and selection process will be advertised in appropriate newsletters, e-mail distribution lists, social media, or other methods used by the District or in cooperation with other community resources. The vacancy will be advertised for three (3) weeks after the regular or special board meeting announcing the beginning of the appointment process.
2. Applications: Interested candidates will submit a letter of interest, resume, and sufficient information to confirm eligibility to be appointed to the vacancy in the particular director district.
3. Candidate Introductions: At the next regular or special meeting at least four (4) weeks after the beginning of the appointment process, the board will provide an opportunity for the candidates to introduce themselves, review their background, and express their interest in being appointed to the vacancy. The Board may ask follow-up questions if desired.
4. Selection: The Board will conduct a vote and appoint the candidate who receives a majority of the vote. If there are more than two (2) candidates and no candidate receives a majority, voting will continue until there are only two (2) candidates remaining. Once two (2) candidates remain, a final vote will be conducted and if that vote results in a tie, the agenda item to fill the vacancy will be tabled.

g.h. Resignation and Removal. Directors may be removed from office only by recall as prescribed by statute. Any Director may resign at any time by giving written notice to the Board, and acceptance of such resignation shall not be necessary to make it effective, unless the notice so provides.

h.i. Chair and President. The Chair shall preside at all meetings. The Chair shall also be the President of the District. The President is authorized to sign all legal instruments on behalf of the District. The President will act as a liaison to the Board, Fire Chief, and staff and may provide feedback on upcoming board meeting topics, assist with strategy on agenda items or navigating discussions.

i.j. Vice Chair and Vice President. The Vice Chair shall be a member of the Board of Directors and, in the absence of the Chair or in the event of his or her inability or refusal to act, shall perform the duties of the Chair, and when so acting, shall have all the powers of and be subject to all restrictions upon the Chair.

j.k. Secretary. The Secretary ~~need not~~shall be a member of the Board of Directors and shall maintain or, through the Fire Chief, cause to be maintained the official records of the District, including the by-laws, rules and regulations established by the Board of Directors, minutes of the meetings of the Board of Directors, and a register of the names and addresses of the Directors and officers, and shall issue notice of meetings, and attest and affix the corporate seal to all official documents of the District. A separate Recording Secretary and records custodian may be appointed by the Board under the supervision of the Secretary and the Fire Chief to assist with carrying out the duties of the office of Secretary.

k.l. Treasurer. The Treasurer shall be a member of the Board of Directors, and shall be chair of the Audit Committee. The Treasurer shall keep or, through the Fire Chief, cause to be kept, strict and accurate accounts of all money received by and disbursed for and on behalf of the District. The accounting function shall be provided by District personnel or independent contractor under the supervision of the Fire Chief and Treasurer, and shall be reviewed at least quarterly by the Board of Directors. The Treasurer shall have such other financial duties and authorities as specified by the Board.

l.m. Recording Secretary. The Board shall have the authority to appoint a Recording Secretary who need not be a member of the Board of Directors. The Recording Secretary shall be responsible for assisting with carrying out the duties of the office of Secretary, under the supervision of the Fire Chief and the Secretary. The Board hereby appoints the Fire Chief's Executive Assistant as the Recording Secretary.

m.n. Designated Election Official. Unless otherwise designated by resolution calling for an election, the Fire Chief's Executive Assistant is hereby appointed the designated election official for all District elections.

n-o. Additional Duties. The officers of the Board shall perform such other duties and functions as may from time to time be required by the Board, these Bylaws or the rules and regulations of the District, by law, or by special exigencies, which shall later be ratified by the Board.

p. Fire Chief. The Fire Chief shall be an employee of the District. Subject to the appointment, employment, termination and supervision of the Board of Directors, the Fire Chief shall have all powers and authorities provided for a fire chief under §32-1-1002, C.R.S., and any other applicable state or federal law, and shall oversee and manage all business and affairs of the District, including the operation, maintenance, management, administration, and provision of all facilities, improvements, equipment, services and personnel, in the manner typically associated with a fire and emergency rescue agency for which the fire chief has been delegated authority by the governing body to manage all aspects of the agency, including the authority associated with a chief executive, administrative, and operational officer. Upon his or her absence from the District or other circumstances that in the determination of the Fire Chief impair or prevent the Fire Chief from actively performing the duties of Fire Chief, the Fire Chief shall appoint another qualified staff member to serve as Acting Fire Chief until such time as the Fire Chief can resume the duties of Fire Chief.

o-q. Emergency Appointment of Fire Chief. Upon an unplanned vacancy of the fire chief position and prior to a formal recruitment and hiring process, the Board may appoint another staff member to temporarily fill the position. The Board will create a temporary committee to interview staff members who ~~quality~~ may qualify for the position. The committee will bring a recommendation to the full board for their approval.

p-r. Personnel Selection. The selection of employees, volunteers, engineers, accountants, agents, contractors, special consultants and attorneys of the District will be based upon the relative qualifications and capabilities of the applicants and shall not be based upon political services or affiliations.

SECTION 10. FINANCIAL ADMINISTRATION.

a. Fiscal Year. The fiscal year of the District shall commence on January 1 of each year and end on December 31.

b. Budget. On or before October 15th of each year, the Fire Chief shall have prepared and submitted to the Board a proposed budget for the ensuing fiscal year. Such proposed budget shall be accompanied by a statement which shall describe the important features of the budget plan and by a general summary wherein shall be set forth the aggregate features of the

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budget in such manner as to show the balanced relations between the total proposed expenditures and the total anticipated income or other means of financing the proposed budget for the ensuing fiscal year, as contrasted with the corresponding figures for the last completed fiscal year and the current fiscal year. The proposed budget shall be supported by explanatory schedules or statements classifying the expenditures contained therein by services, subjects and funds. The anticipated income of the District shall be classified according to the nature of receipts.

- c. **Notice of Budget.** Upon the Board's receipt of the proposed budget, the Fire Chief, [District Finance Officer](#), or District legal counsel shall cause to be posted or published in substantial compliance with law, a notice that the proposed budget is open for inspection by the public at the District's business office; that the Board will consider the adoption of the proposed budget at a public hearing on a certain date; and that any interested elector may inspect the proposed budget and file or register any objections thereto at any time prior to its final adoption.
- d. **Adoption of Budget.** On the day set for consideration of the proposed budget, the Board shall review the proposed budget and revise, alter, increase or decrease expenditures and revenues as it deems necessary in view of the needs of the District and the probable income of the District. The Board shall adopt a budget by resolution, either immediately following the budget hearing or at a later date. The budget shall set forth the expenditures to be made in the ensuing fiscal year and shall provide for sufficient revenues.
- e. **Levy and Collection of Taxes.** On or before December 15th of each year, the Board shall approve by resolution and the Fire Chief, [District Finance Officer](#), or District legal counsel shall cause to be certified to the Board of County Commissioners of Douglas, Arapahoe and Jefferson Counties the mill levy rate established for the ensuing fiscal year, in order that, at the time and in the manner required by law for the levying of taxes, such Commissioners shall levy such tax upon the assessed valuation of all taxable property within District. The mill levy rate shall not be increased above that for the prior year, except for Board approved levies for abatements and refunds, without prior voter approval, and as set forth in applicable constitutional and statutory provision.
- f. **Filing of Budget.** On or before January 30th of each year, the Fire Chief, [District Finance Officer](#), or District legal counsel shall cause a certified copy of such budget to be filed with the Division of Local Government in the Colorado Department of Local Affairs.

g. Appropriating Resolution.

1. At the time of adoption of the budget, the Board shall, within the same or separate resolution, appropriate funds for expenditure in the ensuing fiscal year. The amounts appropriated shall not exceed the expenditures fixed in the adopted budget.
2. The income of the District, as estimated in the budget and as provided for in the resolution setting the District's property tax mill levy rate, shall be allocated in the amounts and according to the funds specified in the budget for the purpose of meeting the expenditures authorized by the appropriation resolution.

h. No Contract to Exceed Appropriation. The District shall have no authority to enter into any contract, or otherwise bind or obligate the District to any liability for payment of money for any purposes, for which provision is not made in an appropriation resolution, including any legally authorized amendment thereto, in excess of the amounts of such appropriation for that fiscal year. Any contract, verbal or written, contrary to the terms of this Section shall be void ~~ab initio~~ [from its inception](#), and no District funds shall be expended in payment of such contracts.

i. Contingencies.

1. In cases of emergency which could not reasonably have been foreseen at the time of the adoption of the budget, the Board may authorize the expenditure of funds in excess of appropriations, by resolution duly adopted by a majority vote of the Board. Such resolution shall set forth in full the facts concerning the emergency and shall be included in the minutes of such meeting.
2. A copy of the resolution authorizing additional expenditures shall be filed with the Division of Local Government in the Colorado Department of Local Affairs and shall be published in compliance with statutory requirements.

j. Payment of Contingencies.

1. If there is unexpended or uncommitted money in funds other than those to which the emergency relates, the Board shall, by resolution amending the budget, transfer such available money to the fund from which the emergency expenditure is to be paid. Transfers between accounts within the same budgeted and appropriated fund may be

made by the Fire Chief without Board approval or budget amendment.

2. To the extent that transferable funds are insufficient to meet the emergency appropriation, the Board may borrow money as set forth in Section 29-1-112, C.R.S. or through any other lawful and approved method.

k. Annual Audit.

1. The Fire Chief, on behalf of the Board, shall cause an annual audit to be made at the end of each fiscal year of all financial affairs of the District through December 31st of such fiscal year and submitted to the Board. The audit report shall be submitted to the Board within six (6) months of the close of the fiscal year or as otherwise provided by law. The audit shall be conducted in accordance with generally accepted auditing standards by a registered or certified public accountant, who has not maintained the books, records and accounts of District during the fiscal year. The auditor shall prepare, and certify as to its accuracy, an audit report, including financial statements that are representations of the District setting forth the financial position and results for each fund and activity of the District and a comparison of actual figures with budgeted figures for each fund or activity for which a budget has been prepared, an unqualified opinion or qualified opinion with explanations, and a full disclosure of any violation of Colorado law.
2. There shall be a permanent Audit Committee composed of the Treasurer and Board Chair or such other Director appointed by the Board Chair. The Audit Committee shall be responsible for [recommendations to the Board regarding](#) the appointment, compensation, ~~recommendation (to be approved by the Board)~~, retention, and oversight of the work of an independent certified public accountant engaged to prepare the audit report or perform other audit, review or attest services for the District. The Audit Committee may, as necessary and to the extent of its ability, provide independent review and oversight of the District's financial reporting processes, internal controls and independent auditors. All auditors thus engaged shall report directly to the Audit Committee. [The auditor shall present the draft audit to the Board and request authorization from the Board to finalize and file the audit.](#)
3. A copy of the audit report shall be maintained by the District as a public record for public inspection at all reasonable times.

4. A copy of the audit report shall be forwarded to the State Auditor within thirty days after the Board receives it.

SECTION 11. CORPORATE SEAL. The seal of the District shall be a circle containing the name of the District and shall be used on all documents and in such manner as seals generally are used by public and private corporations. The Recording Secretary shall keep, or cause to be kept, the seal and shall be responsible for its safekeeping and care.

SECTION 12. DISCLOSURE OF CONFLICT OF INTEREST. A potential conflict of interest of any Director shall be disclosed in accordance with State law, particularly Article 18 of Title 24, C.R.S., and Sections 32-1-902(3)(b) and 18-8-308, C.R.S.

SECTION 13. COMPENSATION. Each Director shall receive the maximum compensation authorized by statute for regular meetings, special meetings, or study sessions where a quorum is present. Directors will not be compensated for attendance at events, committee meetings, or other meetings with less than a quorum, unless otherwise determined by the Board. No Director shall receive compensation as an employee of the District other than as provided in this section. Directors shall also be reimbursed for their actual and reasonable expenses incurred on behalf of the District, as approved by the Board.

SECTION 14. INDEMNIFICATION OF DIRECTORS AND EMPLOYEES. The District shall defend, hold harmless and indemnify any Director, officer, agent, or employee, whether elective or appointive, against any tort or liability, claim or demand, without limitation, arising out of any alleged act or omission occurring during the performance of official duty, as more fully defined by law or by an indemnification resolution, if any. The provisions of this Section shall be supplemental and subject to and, to the extent of any inconsistency therewith, shall be modified by the provisions of the Colorado Governmental Immunity Act, 24-10-101, et seq., C.R.S.

SECTION 15. BIDDING AND CONTRACTING PROCEDURES. The District shall adopt, maintain and comply with policies as reasonable for the conduct of local government contracting and necessary for compliance with applicable laws regarding contracting and construction. Such policies shall address procurement of goods and services, construction and contract execution. Except in cases in which the District will receive aid from a government agency, a notice shall be published for bids on all construction contracts for work, materials, or both, involving an expense of sixty-one-hundred and twenty thousand dollars (\$12060,000) or more of District funds; such amount to be adjusted every five (5) years for inflation as prescribed by statutes. The District may reject any and all bids, and if it appears that the District can perform the work or secure material for less than the lowest bid, it may proceed to do so in accordance with law. Notwithstanding the foregoing, the District may award an

integrated project delivery contract pursuant to § 32-1-1801, et seq., C.R.S. upon (i) the determination of the Board that integrated project delivery represents a timely or cost-effective alternative for a project; (ii) publication of a request for qualifications and/or request for proposals; and (iii) compliance with Part 18 of Article 1, Title 32, C.R.S. All other statutory requirements relating to performance bonds, retainage, and similar matters shall also be complied with.

SECTION 16. RECORDS MANAGEMENT. The District shall adopt, maintain and comply with policies as reasonable and necessary for compliance with, applicable records retention, destruction, and disclosure requirements, including the Colorado Open Records Act, State Archives and Public Records law, and various consumer privacy legislation. The Fire Chief's Executive Assistant, is hereby designated as the Official Custodian of Records ("Custodian") pursuant to the Colorado Open Records Act. The fees and charges imposed for responding to Colorado Open Records Act records requests shall be automatically increased to the maximum amounts allowed by law without additional Board action.

SECTION 17. ANNUAL ACKNOWLEDGEMENT. Each Director shall upon taking office and annually thereafter sign an acknowledgement that they have received and reviewed these Bylaws and the attached Rules of Procedure and the Guidelines for Board Member Conduct.

SECTION 18. MODIFICATION OF BYLAWS. These Bylaws may be altered, amended or repealed at any regular or special meeting of the Board by a two-thirds (2/3) majority of the Directors in office, to become effective immediately or at a subsequent date, as specified.

SECTION 19. SEVERABILITY. If any part or provision of these Bylaws is adjudged to be unenforceable or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of these Bylaws, it being the Board's intention that the various provisions hereof are severable.

SECTION 20. TERMINATION OF PRIOR BYLAWS. These Bylaws amend, supersede and replace in their entirety all prior Bylaws, and any amendments thereto, previously adopted by the Board of Directors.

ADOPTED this 17th-day of ~~February, 2020~~, by the Board of Directors of the South Metro Fire Rescue Fire Protection District.

~~Ronda Scholting, Chair~~

_____, Secretary

EXHIBIT A
South Metro Fire Rescue Fire Protection District
Board Meeting
Rules of Procedure

1. **Quorum to Conduct Business.** Simple majority of the District Directors.
2. **Motions.** All motions shall be distinctly worded.
 - (a) The following rules shall apply to motions:
 - (i) If a motion does not receive a second, it dies.
 - (ii) The Board will discuss a motion at length only after the motion has been moved and seconded. Nothing prevents general discussion or expression of opinions before a motion is made.
 - (iii) Any motion shall be reduced to writing if requested by a Director.
 - (iv) A motion to amend can be made to a motion that is on the floor and has been seconded.
 - (v) No motion shall be received when a question is under debate except for the following:
 - (1) To lay the matter on the table;
 - (2) To call for the previous question (close debate);
 - (3) To postpone;
 - (4) To refer; or
 - (5) To amend.
 - (vi) A motion may be withdrawn by the mover at any time without the consent of the Board.
 - (vii) Amendments are voted on first, then the main motion is voted on, as amended if amendments are approved.

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- (viii) A Director may have a motion which contains several elements divided, but the mover shall have the right to designate which element will be voted on first.
- (ix) A call for the previous question is intended to close the debate on the main motion; does not require a second and is not debatable.
 - (1) Debate on the main motion resumes if the motion fails.
- (x) A motion that receives a tie vote fails.
- (xi) The chair shall repeat the motion prior to a vote.
- (xii) A motion to adjourn cannot be amended.

(b) **Motion to Reconsider.** A motion to reconsider may only be made by a Director who voted on the prevailing side. Any Director may second the motion.

- (i) No motion to reconsider shall be made more than once.
- (ii) The motion to reconsider shall be made before the final adjournment of the meeting at which the Board approved the item to be reconsidered.

(c) **Non-debatable Motions.** The following motions are non-debatable:

- (i) Call for the previous question;
- (ii) Motion to adjourn (if less than a quorum is present, the meeting shall automatically be adjourned without action of the Board);
- (iii) Motion to recess;
- (iv) Motion for executive session.

3. **Debate.** The following rules shall govern the debate of any item being discussed by the Board:

(a) Every Director desiring to speak shall address the chair, and, upon recognition by the chair, shall confine him/herself to the question under debate, at all times acting and speaking in a respectful manner.

(b) A Director, once recognized, shall not be interrupted when speaking unless it is to be called to order, or as herein otherwise provided.

4. **Appeal Ruling of Chair.** If the Chair makes a ruling with which a Director disagrees, that Director may, by motion, appeal the ruling of the Chair. This motion requires a second and is debatable. If the motion passes, the ruling of the Chair is reversed.

5. **Points of Privilege and Points of Order.**

(a) **Points of Privilege.** These are points that relate to anything that would interfere with the normal comfort of the meeting. For example, the room may be too hot or too cold, a Director may be unable to hear or not have the correct information on a matter before the Board. Points of privilege do not require a second, are not debatable, do not require a vote, and are ruled upon by the Chair.

(b) **Points of Order.** These are points that relate to anything that would not be considered appropriate conduct of the meeting. For example, not following the agenda, voting on a debatable matter without calling for debate before the vote. Points of order do not require a second, are not debatable, do not require a vote, and are ruled upon by the Chair.

6. **Voting.** A majority of the Directors in attendance at a meeting at which a quorum is present voting in favor of a motion is required to approve any motion, unless a different requirement is set by these Rules of Procedure or by law. As provided by law, to convene an executive session requires the favorable vote of 2/3 of the quorum present.

(a) **Affirmative or Negative Vote Required.** A vote of yes or no (or another form of affirmative or negative declaration) shall be taken upon motions. Each Director, when present, must vote yes or no unless:

- (i) The Director is excused by the Chair because of a conflict of interest at the introduction of the agenda item or immediately upon discovery of a legally recognized conflict of interest; or
- (ii) The Director is excused by the Chair as a result of the Director having insufficient information upon which to enable an informed vote as a result of an absence at a prior meeting, e.g., the Director did not attend the meeting for which meeting minutes are moved for approval.

(b) **No Abstention.** An unexcused Director's vote to "abstain" or other similar declaration other than "yes" or "no" shall be recorded as a "no" vote on the pending motion or matter.

(c) **No Explanation of Vote.** Directors shall not explain their vote except during discussion and deliberation prior to the calling of the vote on the question. Any attempt to explain a vote or to condition the vote immediately prior to casting the vote is out of order.

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Exhibit B: Guidelines for Board Member Conduct

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Our Role

The Board of Directors of the South Metro Fire Rescue Fire Protection District is committed to representing those who live, work and play in the District by supporting the mission, vision and values of the organization through excellence in leadership, policy-making, and financial stewardship.

Our Standards of Conduct

In order to succeed in our role in governance, we strive to hold ourselves as individuals and a governing body to the highest standards of ethics and conduct. The following are guidelines to help achieve that success:

1. BE AN ACTIVE BOARD MEMBER.
 - a. Board Meetings are the most important events in which we participate – it's where the Board's business gets done.
 - i. Be there.
 1. Being physically together is best.
 2. Electronic participation is allowed but not ideal.
 - ii. Be productive.
 1. Prepare for the meetings and discussions.
 - a. Read board packets, staff summary sheets, and seek helpful clarification prior to the meeting.
 - b. Attend trainings, retreats, study sessions and special board meetings to learn more about the district and help shape the future.
 - c. Stay on top of e-mails and other communications from staff and respond in a timely manner.
 2. Follow the process for proposing agenda items (action/discussion items).
 3. Participate and contribute in the proceedings.
 4. Make informed decisions, even if they're tough.
 - iii. Be constructive.
 1. Treat other board members, staff, and the public with respect.
 2. Conduct yourself with courtesy and professionalism.
 3. Listen.
 4. Be open to different viewpoints.
 5. Focus on issues, policies, and ideas and not personalities.

- 6. Avoid negative forms of interaction.
- 7. Avoid dominating a discussion and encourage the participation of others.
- 8. Honor the role of the Board Chair to focus discussions, encourage participation and maintain order.
- iv. Be unified.
 - 1. Once the Board takes action all Directors should support the action and not create barriers to the implementation of such action.
 - 2. There are no minority reports in good boards.
- b. Represent South Metro and the Board internally and externally.
 - i. Seek out and participate in opportunities to support and represent the Board and SMFR.
 - 1. Attend SMFR and community events where possible to support the organization, build relationships with our community stakeholders, and enhance SMFR's presence in the community.
 - 2. Help to enhance connectivity with the cities, counties, and service providers in and around the District.

2. LEAD & GUIDE / DON'T OPERATE.

- a. Our primary responsibility is the formulation and evaluation of policy.
- b. Keep discussions and decisions at the appropriate policy level; avoid the minutia where not helpful or appropriate.
- c. The Board has delegated to the Fire Chief the authority and responsibility to oversee and manage all business and affairs of the District, including all authority and responsibility typically associated with a chief executive, administrative, and operational officer. Individual Directors shall not involve themselves in the personnel, operation, maintenance, management, administration, and provision of facilities, improvements, equipment, and services unless requested by the Fire Chief or authorized by the Board of Directors.
- d. Maintain appropriate Board/staff interactions.
 - i. Follow the chain of command.
 - 1. Work with the Fire Chief or designee to determine the best way to communicate with staff, visit facilities, observe operations, etc.
 - 2. Express any concerns with staff to the Fire Chief.
 - ii. Avoid providing direction or requesting extensive information from staff when not authorized by the whole board or a committee of the board.
 - iii. Avoid last-minute requests from staff.

- iv. Be professional and respectful to staff and expect the same in return.
- v. Non-election-related interactions with Union (Local 2086) representatives should follow the same coordination through the Fire Chief as any other staff interactions.
- e. Any media interactions should be coordinated with the Fire Chief whenever possible. Board members should refer to the Board reference documents for Communications and Social Media policies.

3. **BE TRUSTWORTHY.**

- a. We serve in a position of trust and have a responsibility to use public resources prudently.
- b. Avoid conflicts of interest.
 - i. No self-dealing or business with SMFR by a Board member.
 - ii. Provide at least annual disclosures of involvement with other organizations, vendors, or other associations that might be reasonably seen as representing a conflict of interest.
 - iii. Withdraw from deliberation and voting on any matter where a conflict exists.
 - iv. Do not use position to obtain employment, advantages or favors for yourself, family members, or close associates.
- c. Conduct personal affairs in such a manner that we cannot be improperly influenced in the performance of our duties.
- d. Comply with SMFR’s “Ethics and Standards of Conduct” and “Firefighter Code of Ethics” Policies.
- e. Be transparent and open with information-sharing and decision-making while respecting and maintaining confidentiality where required.

Breach of Standards of Conduct

While the Board as a body cannot exercise authority over individual Board members, the Board can take steps to attempt to align conduct with the principles and values stated in these bylaws. These include, but are not limited to:

- 1. Hold the Fire Chief accountable to ensure the Fire Chief and staff are providing the appropriate response to Board members’ individual comments, opinions, direction, or instructions.
- 2. The Board, either privately through the Board Chair or as a whole during a Board meeting, may re-iterate the expectations of Board members and attempt to provide guidance that will correct improper behaviors of individual members.

3. The Board may publicly reprimand or censure an individual or group of Board members or enact other forms of sanctions as deemed appropriate by the Board.
4. The Board may direct an investigation of individual or group behavior to ensure laws have not been violated.

Acknowledgement of Receipt and Review of District Bylaws

I, _____, acknowledge that I have received and reviewed the South Metro Fire Rescue Fire Protection District ~~February 17, 2020~~[September 1, 2023](#) Restated Bylaws and the attached Rules of Procedure and the Guidelines for Board Member Conduct, as required by Section 17 of the Bylaws.

Date: _____ Signature: _____



South Metro Fire Rescue
Fire Protection District

Annual Comprehensive Financial Report

For the Fiscal Year Ended
December 31, 2022



Arapahoe, Douglas and
Jefferson Counties
Colorado

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

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

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

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



June 28, 2023

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

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

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

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

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

Profile of the Government

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

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

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

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

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

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

Local Economy

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

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

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

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

Long-Term Financial Planning and Relevant Policies

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

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

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

Major Initiatives

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

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

Budget Process

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

Awards and Acknowledgements

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

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

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

Respectfully submitted,



Bob Baker
Fire Chief



Dillon Miskimins
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

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

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

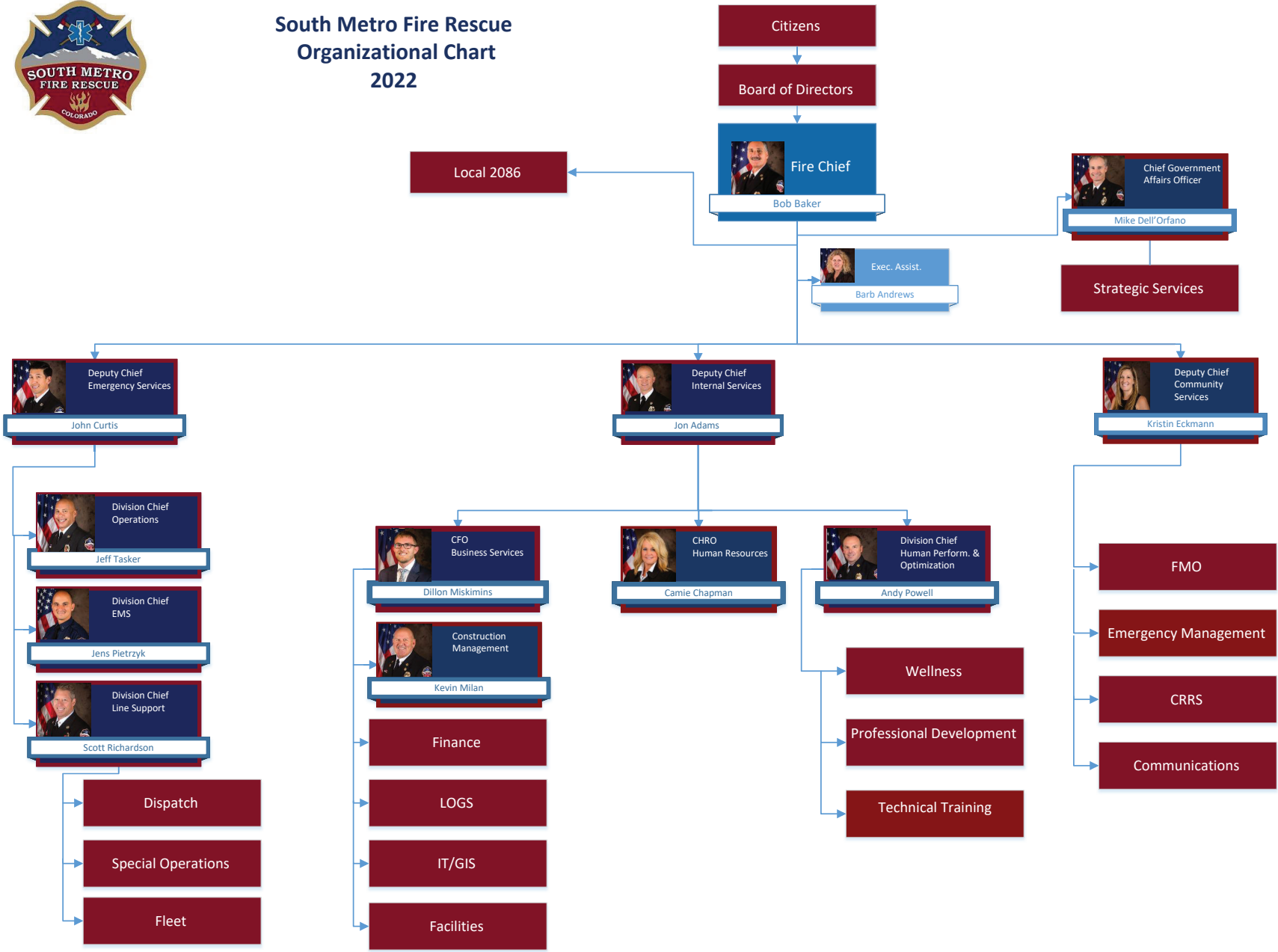
December 31, 2021

Christopher P. Morill

Executive Director/CEO



South Metro Fire Rescue Organizational Chart 2022



GOVERNANCE

As of December 31, 2022

Appointed Officials, Board of Directors

Jim Albee, Chair

Renee Anderson, Vice Chair

William Shriver, Treasurer

Sue Roche, Secretary

Kevin Leung, Director

Cindy Hathaway, Director

Rich Sokol, Director

Executive Team

Bob Baker, Fire Chief

John Curtis, Deputy Chief of Emergency Services

Kristin Eckmann, Deputy Chief of Community Services

Jon Adams, Deputy Chief of Internal Services

Camie Chapman, Human Resources Director

Mike Dell'Orfano, Chief Government Affairs Officer

Dillon Miskimins, Chief Financial Officer

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit for the year ended December 31, 2022 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The comparative fund financial statements and other schedules for the year ended December 31, 2022 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2022 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the comparative fund financial statements and other schedules is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2022.

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

Board of Directors
South Metro Fire Rescue Fire Protection District

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

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

FORVIS,LLP

Denver, Colorado
June 28, 2023

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

As management of South Metro Fire Rescue Fire Protection District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ending December 31, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 - 5 of this report.

Financial Highlights

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

Overview of the Financial Statements

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

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

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

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

The statement of net position presents information on all of the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two is reported as net position. Over time, increases or decreases in net position

may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include Operations, Fire Marshal, Dispatch, and Administration. The business-type activities of the District include the Building Rental Fund.

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

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

- governmental funds
- proprietary funds

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

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

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

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

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

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

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

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31-75 of this report.

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

Government-Wide Financial Analysis

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

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

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

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

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

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

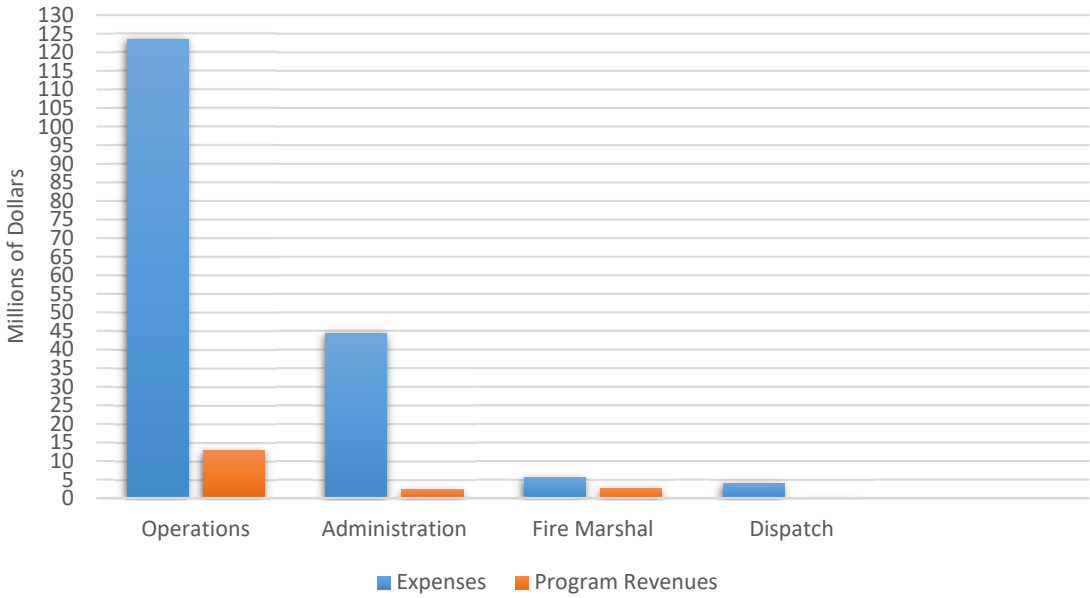
- Overall both expenses and revenues increased when compared to 2021. The revenue growth of \$15.5 million is associated with the increased property tax collections, charges for services of transports, and Medicaid supplement fee reimbursement.

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

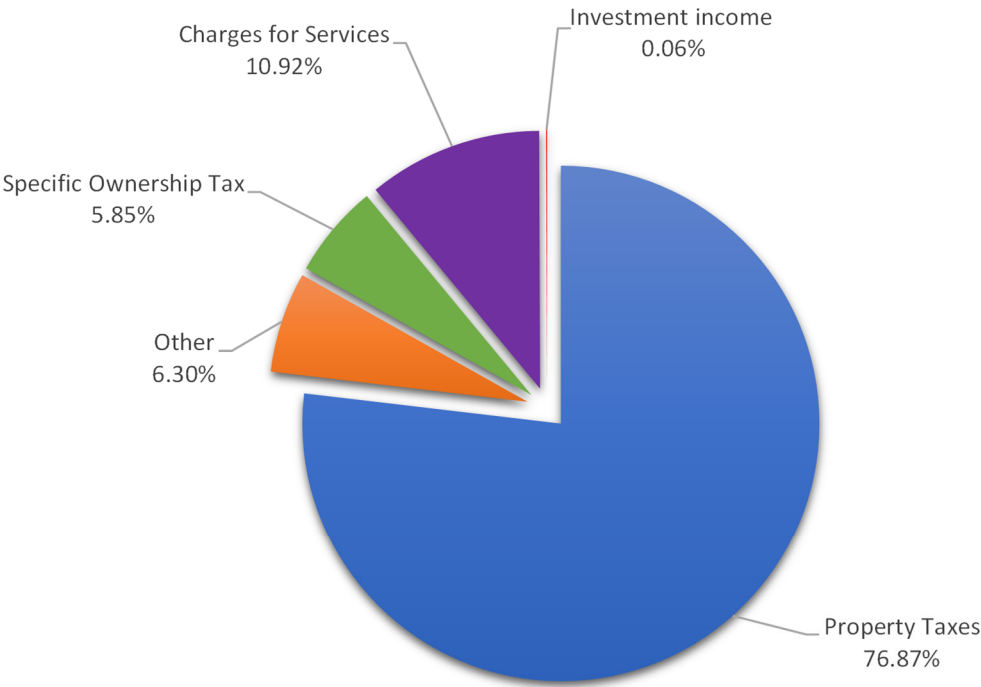
South Metro Fire Rescue Fire Protection District
Changes in Net Position

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

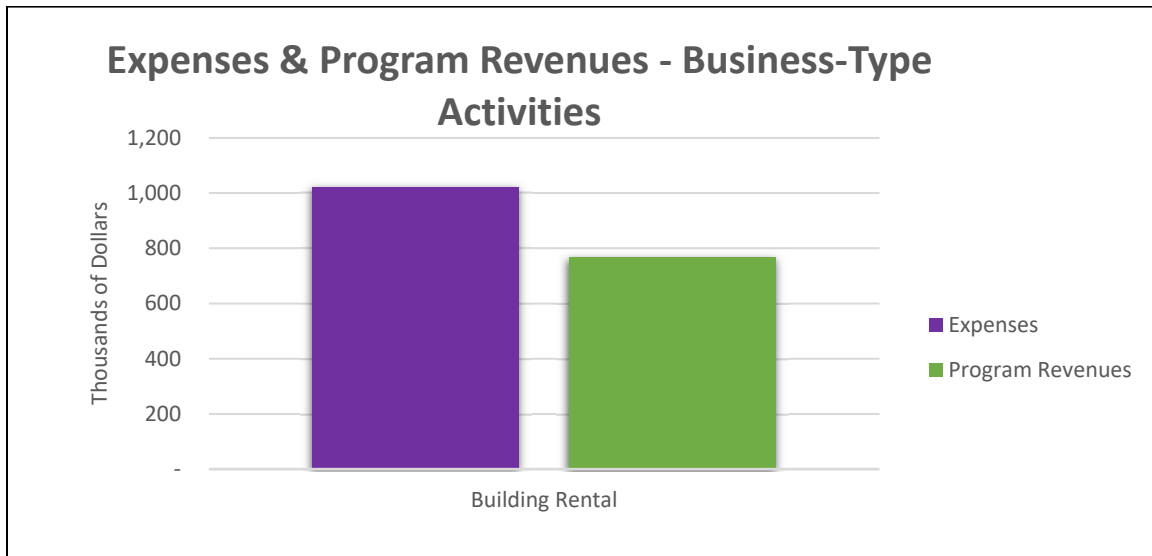
Expenses and Program Revenues - Governmental Activities



Revenues by Sources - Governmental Activities



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



Financial Analysis of the Government’s Funds

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

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

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

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

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

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

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

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

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

Capital and Lease Assets and Debt Administration

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

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

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

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

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

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

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

Economic Factors and Next Year’s Budgets

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

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

Request for Information

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

BASIC FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Internal service fund net revenue (expense) is included in the governmental activities		(532,755)
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Changes in net position of governmental activities		<hr style="border: 1px solid black;"/> \$ (14,170,350) <hr style="border: 1px solid black;"/>
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The accompanying notes are an integral part of the financial statements.

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

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

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

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

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Definition of Reporting Entity

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

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

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

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

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

Government-wide and Fund Financial Statements

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

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

The District reports the following major governmental funds:

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

Non-major:

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

The District reports the following major proprietary funds:

Enterprise Fund:

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

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

Internal Service Fund:

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

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

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

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

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

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

Budgets

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

Pooled Cash and Investments

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

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

Cash Equivalents

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

Capital and Lease Assets

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

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

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

*The shorter of the lease or useful life.

Compensated Absences

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

Property Taxes

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

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

Accounts Receivable, Allowance for Uncollectable Accounts

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

Inventories

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

Prepaid Expense

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

Deferred Outflows/Inflows of Resources

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

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

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

Fund Balance

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

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

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

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

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

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

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

Net Position

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

NOTE 2 - CASH AND INVESTMENTS

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

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

Deposits with Financial Institutions

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

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

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

Investments

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NOTE 3 - RECEIVABLES

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

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

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

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

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

Property Tax Revenue

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

NOTE 4 - CAPITAL ASSETS

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

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

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

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

NOTE 5 - INTERFUND TRANSFERS AND BALANCES

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

Transfers between funds during 2022 were as follows:

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

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

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

NOTE 6 – LEASES

Lessee

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

Lease Assets

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

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

Lease Liabilities

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

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

Future Lease Payments

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

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

Lessor

Government-Wide Activities

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

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

Future Lease Receipts for Business-Type Activities

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

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

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

NOTE 7 - GENERAL OBLIGATION DEBT

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

NOTE 8 - CHANGES IN LONG-TERM LIABILITIES

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

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

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

NOTE 9 - TAX ABATEMENTS

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

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

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

NOTE 10 - RISK MANAGEMENT

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

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

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

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

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

NOTE 11 - RELATED PARTY TRANSACTIONS

South Metro Safety Foundation

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

Related party transactions

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

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

NOTE 12 – PENSION AND OTHER POST EMPLOYMENT BENEFITS

Defined Contribution Benefit Plans

1) Paid Firefighters and Administration Plan

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

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

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

Defined Benefit Plans

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

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

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

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

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

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

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

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

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

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

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

2) Parker Fire Protection District Volunteer Pension Plan

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

Plan members do not make contributions. The latest actuarial study was performed as of January 1, 2021. The next study will be performed January 1, 2023. The actuarial study as of January 2021 determines the contributions for 2022 and 2023 which is \$94,767.

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

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

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

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

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

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

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

Actuarial Assumptions

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

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

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

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

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

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

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

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

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

3) South Metro Fire Rescue Volunteer Pension Plan

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

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

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

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

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

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

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

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

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

Actuarial Assumptions

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

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

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

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

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

Single Discount Rate Sensitivity

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

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

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

4) Cherry Hills Old Hire Firefighter Plan

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Actuarial Assumptions

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

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

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

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

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

Single Discount Rate Sensitivity

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8) **Other Postemployment Benefit Plan**

Retiree Health Savings Plan

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

Plan Description

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

Benefits Provided

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

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

Actuarial Assumptions

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

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

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

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

Total OPEB Liability

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

Changes in the total OPEB liability are:

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

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

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

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

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

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

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

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

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

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

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

9) Other Employee savings plans

Deferred compensation plans

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

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

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

NOTE 13 - TAX, SPENDING AND DEBT LIMITATIONS

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

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

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

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

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

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

NOTE 14 – CONTINGENCY

Litigation

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

REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Notes:

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

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

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

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

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

Notes:

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

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

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

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

NOTE 1 – BUDGETARY BASIS

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

NOTE 2 – SCHEDULE OF CONTRIBUTIONS

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

1. Parker Fire Protection District Volunteer Pension Fund

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

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

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

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

2. South Metro Fire Rescue Volunteer Pension Fund

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

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

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

3. Cherry Hills Old Hire Fire Pension Fund

Valuation Date: Actuarially determined contribution rates are calculated as of January 1 of even numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2020, determines the contribution amounts for 2021 and 2022.

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

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

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

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

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

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

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

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

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

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

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

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

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

DESCRIPTION OF STATISTICAL SECTION CONTENTS

December 31, 2022

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

Contents:

Schedules:

Financial Trends:

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

99-102

Revenue Capacity:

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

103-107

Debt Capacity:

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

108-110

Demographic and Economic Statistics:

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

111-112

Operating Information:

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

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

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

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

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

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

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

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

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

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

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

Source: Finance Department

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

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

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

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

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

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

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

Source: Arapahoe, Douglas and Jefferson County Assessors

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

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

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

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

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

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

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

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

Source: Finance Department

Note: Net of tax credits and abatements.

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

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

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

Source: Finance Department

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

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

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

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

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

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

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

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

(1) Colorado Revised Statutes.

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

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

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

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

(3) Douglas County School District

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

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

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

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

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

(3) Cherry Creek School District

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

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

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

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

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

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

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

Source: South Metro Fire Rescue Fire Protection District Finance Department

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

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

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

Source: South Metro Fire Rescue Fire Protection District various departments

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

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

Source: South Metro Fire Rescue Fire Protection District various departments

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

Independent Auditor's Report

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

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

Report on Internal Control Over Financial Reporting

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

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

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

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

Board of Directors
South Metro Fire Rescue Fire Protection District

Report on Compliance and Other Matters

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

South Metro Fire Authority's Response to Findings

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

Purpose of This Report

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

FORVIS,LLP

Denver, Colorado
June 28, 2023

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

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

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

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

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

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

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

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

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

2022-002 Compensated Absences

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

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

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

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

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

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