

Comprehensive Annual Financial Report

For the Fiscal Year Ended December 31, 2020



South Metro Fire Rescue Fire Protection District

Arapahoe, Douglas and Jefferson Counties,
Colorado

**South Metro Fire Rescue
Fire Protection District
ARAPAHOE, DOUGLAS and JEFFERSON COUNTIES,
COLORADO**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended
December 31, 2020**

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

SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020
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STATISTICAL SECTION

This part of the District's annual report presents detailed information as a context for understanding what the information in the financial statements and supplementary information says about the District's overall financial health. This information has not been audited by the independent auditor.

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

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SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT



June 4, 2021

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

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, 2020.

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 of 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 Watson Coon Ryan, LLC, 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, 2020, 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 an unmodified opinion that South Metro Fire Rescue Fire Protection District's financial statements for the fiscal year ended December 31, 2020, 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. The District is governed, pursuant to provisions of the Colorado Special District Act, by a seven-member Boards 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.

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. On January 1, 2019, South Metro/Cunningham Fire Rescue Authority and three entities (City of Littleton, Highlands ranch metro District, and Littleton Fire Protection District) merged the fire protection services of the consolidated area (hereby referred to as Littleton Fire Rescue) and the entity name remained as South Metro/Cunningham Fire Rescue Authority. On January 1, 2020, the entity started operating as South Metro Fire Rescue Fire Protection District.

The annual budget serves 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. The Board 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

The District area includes 300 square miles within 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.

There is commercial development throughout the District and the District includes several residential developments with some areas of rural residential development. The District includes a mixture of single family homes, apartments, townhomes, and assisted living

facilities within the District. The District currently serves approximately 550,000 residents in Douglas, Arapahoe and Jefferson Counties. Approximately 46% of the District's population is in Douglas County with 48% in Arapahoe County and 6% in Jefferson County.

Within the District there are many recreational opportunities. The Cherry Creek Trail, portions of the Cherry Creek Reservoir, and Chatfield Reservoir are within the District. They can be used for horseback riding, biking, running, walking, boating and swimming. The Parker area is geared toward horseback riding with the Colorado Horse Park just at the edge of the District and a horse arena in the middle of the Town of Parker. The District has a wealth of annual events like the Carriage Parade in December and the Parker Country Festival in June. The Fiddler's Green Amphitheater, located in Greenwood Village, hosts many concerts and events throughout the summer. The Park Meadows Mall offers world class shopping and dining opportunities.

In 2020, the COVID-19 pandemic and associated economic shutdown created a crisis that had a negative impact on the whole nation and the District, resulting in increased unemployment and declined construction within the District boundaries.

In 2020, the unemployment rate in Douglas County was 7.0%, Arapahoe County was 7.2%, and Jefferson County was 6.6%. This compares to 6.9% for the State of Colorado and 6.3% for the United States.

The assessed valuation of the District has grown exponentially over the last 3 years due to mergers with Cunningham Fire Protection District and Littleton Fire. The growth in assessed valuation over the last 5 years has averaged 19.8%. The increase for the 2021 budget year shows an increase of 1%.

According to the most recent data, the per capita income for Douglas County was \$78,455, Arapahoe County was \$64,477, and Jefferson County was \$66,017. This is higher than the State of Colorado average of \$64,477 and the national average of \$56,991. The education level of the population in the area covered by the Authority is higher than the state and the national average.

Long-term financial planning and initiatives

The Unassigned fund balance in the general fund at year end was 34.6% of total general fund expenditures. This is 9.6% more than the District's minimum required balance.

The District expects that additional fire stations will be required to provide the desired service to the citizens at total build-out of the District. Land has been purchased or identified for those stations yet to be built. Each year the District updates its 10-year financial plan, which includes capital replacement and new construction. This is done as part of the budget process. Construction is very robust within the District at this time. Coverage will be monitored to determine when new stations need to be constructed.

A new staffing model is being considered and initial cost projections are being factored in to the 10 year financial plan. The new staffing model would eliminate a 48 hour standard shift with a focus on employee wellness and sleep deprivation prevention.

Relevant financial policies

The District has adopted a comprehensive set of financial policies. The District requires a fund balance in the General Fund at the end of the year that is equal to or greater than 25% of expenditures. Transfers from the General Fund to the Capital Projects Fund along with other financing options are being considered for the purpose of funding future capital projects.

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 comprehensive annual financial report for the fiscal year ended December 31, 2019. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual 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 comprehensive annual 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 unfailing 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/Cunningham Fire Rescue Authority
Colorado**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

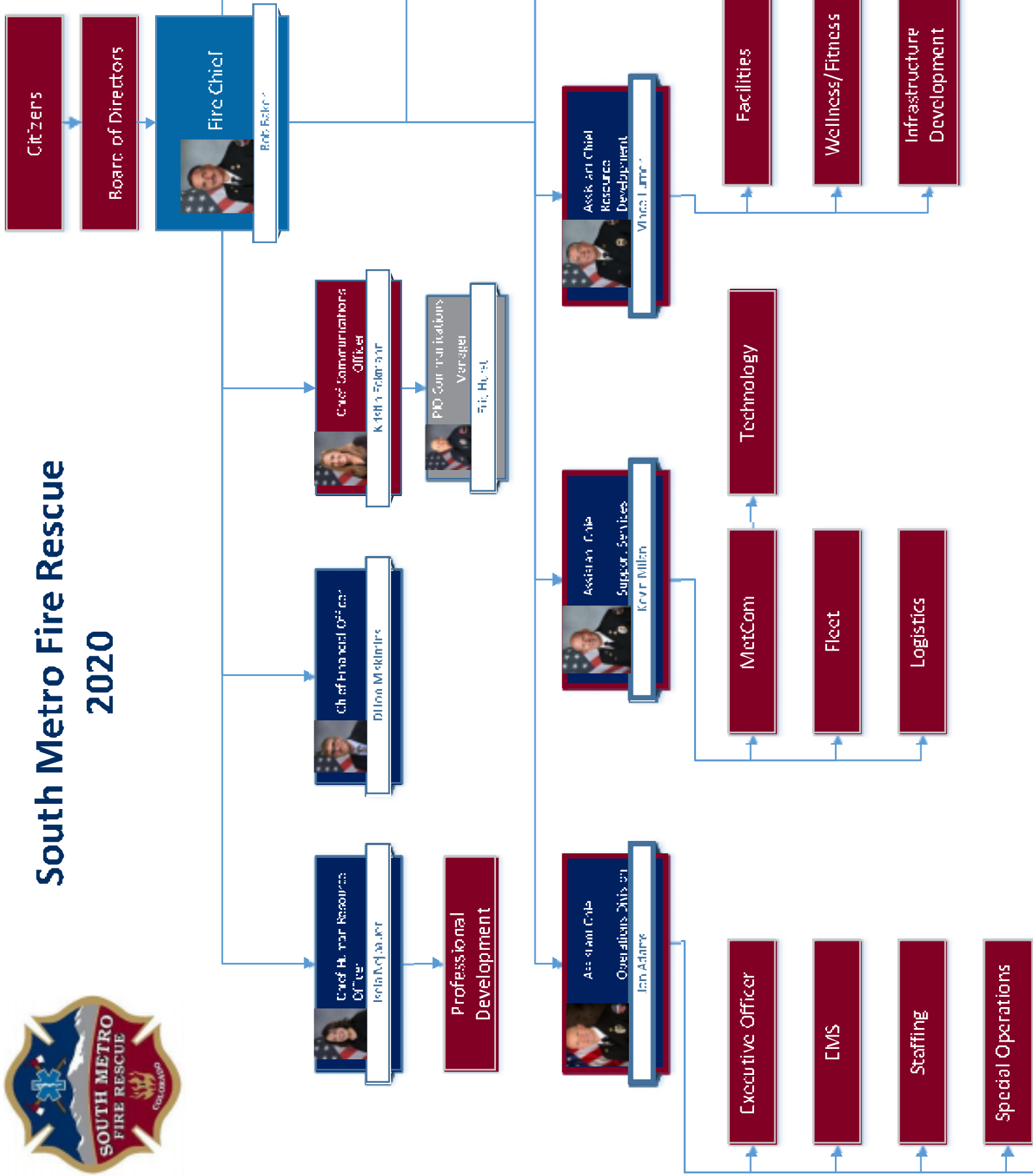
December 31, 2019

Christopher P. Morill

Executive Director/CEO



South Metro Fire Rescue 2020



GOVERNANCE

Appointed Officials, Board of Directors

Jim Albee, Chair

Renee Anderson, Vice Chair

William Shriver, Treasurer

Hank Eng, Secretary

Sue Roche, Director

Cindy Hathaway, Director

Alison Rausch, Director

Executive Team

Bob Baker, Fire Chief

Mike Dell'Orfano, Assistant Chief of Business Services

Jon Adams, Assistant Chief of Emergency Services

Kevin Milan, Assistant Chief of Support Services

Tobias Kirschke, Assistant Chief of Employee Services

Kristin Eckmann, Chief Communications 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 Financial Statements

We have audited the accompanying 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, Colorado, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of December 31, 2020, 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.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The comparative fund financial statements, budgetary comparison information and the Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The comparative fund financial statements, and budgetary comparison information as listed in the table of contents and the Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the introductory section, comparative fund financial statements, statistical section and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and financial trends, revenue capacity, debt capacity, demographic and operating information included in the statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 4, 2021 on our consideration of South Metro Fire Rescue Fire Protection 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 South Metro Fire Rescue Fire Protection 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 South Metro Fire Rescue Fire Protection District's internal control over financial reporting and compliance.

Watson Coon Ryan, LLC

CENTENNIAL, COLORADO
JUN 17, 2021

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, 2020. 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 - 4 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 \$142,848,664. Of this amount, \$54,834,826 may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$1,053,215. The increase is primarily related to delayed Station 20 construction of \$4 million. Station 20 was completed and opened in 2021.
- The District's total liabilities and deferred inflows of resources are \$133,643,898. This is \$1,597,949 or 1.18% decrease from 2019, primarily due to decrease in net pension liability.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$55,029,635.
- At the end of the current fiscal year, unassigned fund balance for the general fund is \$46,309,726 or 34.61% of total general fund expenditures.

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 supplementary information in addition to the basic financial statements themselves.

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

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases

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

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of 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 Field Operations, Support Services, Fleet Services, Fire Marshal, Dispatch, and Training. The business-type activities of the District include the Building Rental Fund.

The government-wide financial statements can be found on pages 20 -21 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 three categories:

- governmental funds
- proprietary funds
- fiduciary 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.

The District adopts an annual appropriated budget for its general fund, capital projects fund, and special revenue fund. A 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 22 -24 of this report.

Proprietary Funds. The District maintained two proprietary funds in 2020 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 the building rental fund 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, the Stop Loss Insurance and administration fees.

The proprietary fund financial statements provide separate information for the building rental fund, which is considered to be a major fund of the District.

The basic proprietary fund financial statements can be found on pages 25 -26 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The District uses a fiduciary fund to account for a Pension Trust Fund (SMFR Volunteer Firefighter Pension Trust –formerly Castlewood Fire) and the Jefferson Arapahoe Communications Center (JACC) Custodial Fund. The District closed the SMFR Volunteer Firefighter Pension Trust plan in March 2021.

The basic fiduciary 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 30 -67 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required and non-required 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 69 – 88 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 \$142,848,664 at the close of the most recent fiscal year.

A portion of the District's net position reflects its investment in capital assets (i.e., land, buildings, vehicles, and equipment); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The District currently has no debt related to capital assets.

South Metro Fire Rescue Fire Protection District
Statement of Net Position

	Governmental Activities 2020	Business-type Activities 2020	Total 2020	Governmental Activities 2019	Business-type Activities 2019	Total 2019
Direct and other assets	\$ 178,462,894	\$ 2,283,957	\$ 180,746,851	\$ 177,303,193	\$ 2,779,511	\$ 180,082,704
Capital assets, net:	76,993,272	5,994,535	82,987,807	75,411,945	5,957,050	81,369,028
Less: assets	255,423,166	8,473,495	263,896,661	249,745,111	8,416,641	258,161,752
Total deferred outflows of resources	17,885,500	—	17,885,500	14,855,514	—	14,855,514
Secured facilities outstanding	5,375,272	70,239	5,445,511	7,630,792	45,669	7,676,461
Other liabilities	10,065,475	—	10,065,475	2,899,005	—	2,899,005
Total liabilities	13,446,252	70,239	13,516,491	20,529,398	45,669	20,575,067
Total deferred inflows of resources	115,182,505	—	115,182,505	114,668,287	—	114,668,287
Net position:						
Net investments in capital assets	76,993,272	5,994,535	82,987,807	75,411,945	5,957,050	81,369,028
Restricted	5,024,028	—	5,024,028	1,453,217	—	1,453,217
Unrestricted	52,422,108	5,994,535	58,416,643	53,958,728	5,957,050	59,915,778
Total net position	\$ 154,445,405	\$ 8,420,635	\$ 162,866,040	\$ 119,774,465	\$ 8,420,981	\$ 128,195,446

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. Net investments in capital assets increased \$1,590,782 net of related debt.

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 \$4,334,557 as of December 31, 2020.

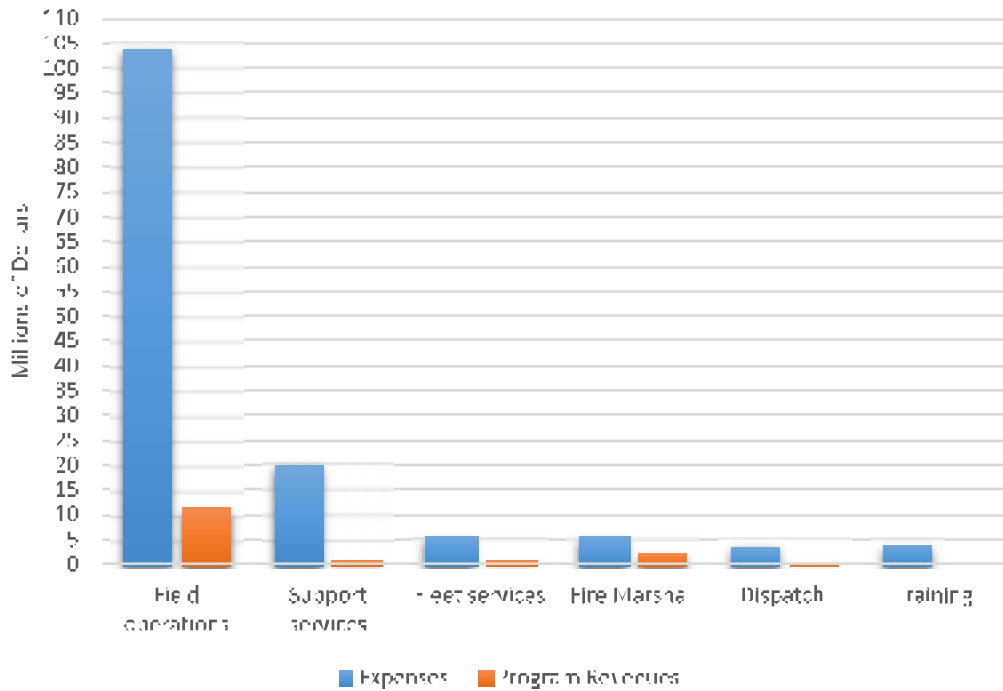
The District's net position increased by \$4,053,215 during the current fiscal year. The change in net position is primarily related to delayed Station 20 construction of \$4 million.

Governmental Activities. Governmental activities increased South Metro Fire Rescue Fire Protection District's net position by \$4,065,940. Key elements of this increase are as follows:

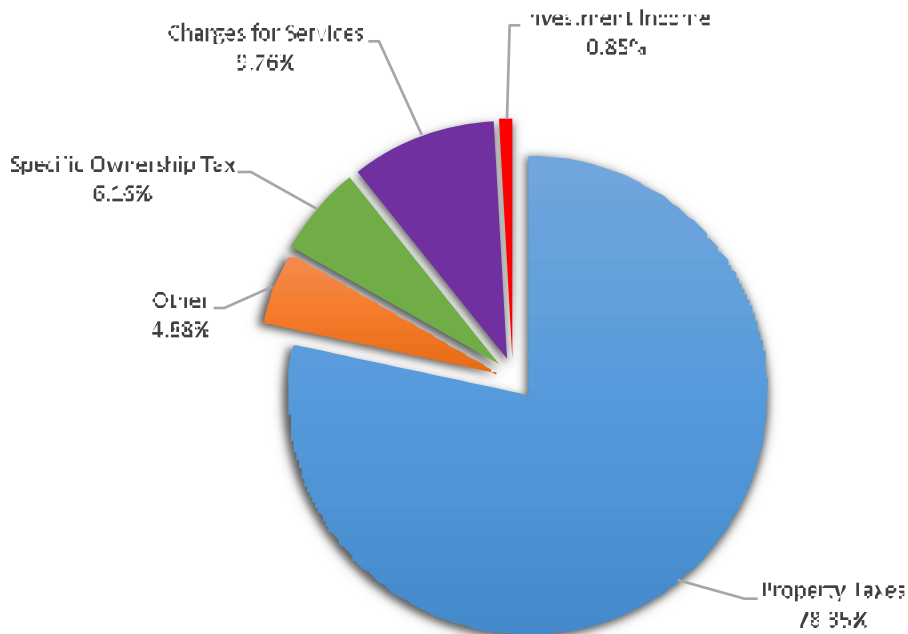
- Overall both expenses and revenues increased when compared to 2019. This is in part related to the \$6.5 million construction of a new fire Station 20. Significant revenue growth of \$22.6 million is associated with the increased property tax collections and Medicaid supplement payment. A portion of the property tax increase was previously collected as a fee for a service.
- Increase in Field Operations expenses is related to additional staff acquired throughout the year, market adjustments to current salaries, modest increases in benefit costs, and continued focus on staffing each engine with a four-person crew.
- The District hosted two academies in 2020 resulting in 60 firefighters being hired to fill staffing needs.

South Metro Fire Rescue Fire Protection District						
Changes in Net Position						
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
	2020	2020	2020	2019	2019	2019
Revenues:						
Program revenues:						
Charges for services	\$ 14,128,455	\$ 837,182	\$ 14,965,637	\$ 25,355,079	\$ 781,682	\$ 26,136,761
Operating Grants and Contributions	508,564	—	508,564	—	—	—
General revenues:						
Property and other taxes	122,382,265	—	122,382,265	105,871,500	—	105,871,500
Other income	7,687,143	35,243	7,722,386	2,364,730	1,045	2,411,775
Other revenues	4,801,827	875,277	5,677,104	11,091,105	832,727	11,923,832
Expenses:						
Field operations	104,281,877	—	104,281,877	89,702,140	—	89,702,140
Support services	19,402,588	—	19,402,588	22,655,617	—	22,655,617
Health services	1,007,403	—	1,007,403	4,710,087	—	4,710,087
Fire Marshal	5,143,336	—	5,143,336	4,842,527	—	4,842,527
Dispatch	3,159,531	—	3,159,531	2,852,375	—	2,852,375
Training	3,658,000	—	3,658,000	3,993,073	—	3,993,073
Rental building	—	885,152	885,152	—	988,000	888,000
Total expenses	140,782,587	885,152	141,667,739	129,708,623	988,000	130,696,623
Increase (decrease) in net position	4,065,940	(12,975)	4,052,965	7,841,661	(155,873)	7,685,788
Net position beginning, restated	10,974,465	8,470,981	19,445,446	125,990,002	8,516,854	134,506,856
Net position ending	\$ 15,040,405	\$ 8,457,986	\$ 23,498,391	\$ 133,831,663	\$ 8,360,981	\$ 142,192,644

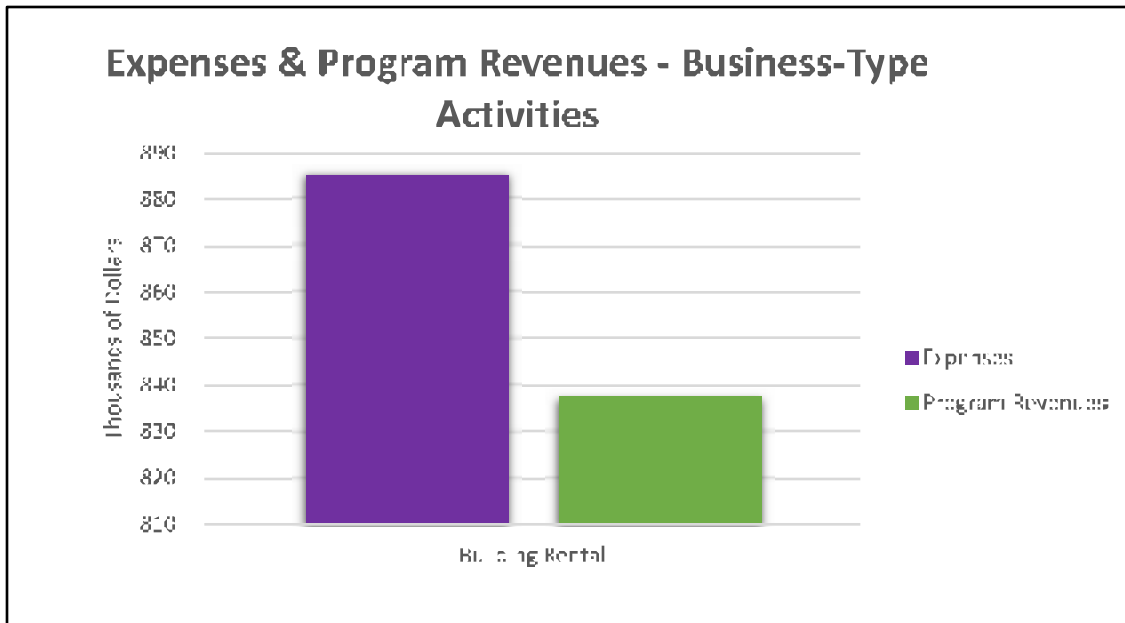
Expenses and Program Revenues - Governmental Activities



Revenues by Sources - Governmental Activities



Business-Type Activities. Business-type activities decreased the District's net position by \$12,725, which was mostly related to the building upgrades and repairs.



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 \$55,029,635, an increase of \$3,121,588 from the beginning of the year. This increase is largely due to the construction of a new station not being completed in 2020 resulting in less expenditures than expected. A large portion of the District's fund balance constitutes unassigned fund balance, which is available for spending at the government's discretion. The LABOR emergency reserve of \$4,334,557 is legally restricted. The non-spendable inventory and prepaid items along with the amount restricted for pension payments in the Cherry Hills Property Tax Fund 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 \$54,340,164 which represents 40.6% of total general fund

expenditures. The significant budget variation is primarily related to delayed Station 20 construction that resulted in \$4 million less in transfers to the Capital Projects fund.

The fund balance of the District's general fund increased by \$3,052,471 during the current fiscal year. As mentioned previously, the delay of Station 20 completion resulted in less transfers to the Capital Projects Fund and an increase to ending fund balance.

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 \$2,413,718, which decreased by \$20,183 from prior year primarily due to reduction in operating revenues.

The Self-Insured Internal Service Fund has a negative unrestricted net position balance of \$708,662, which is due to recognizing Incurred but Not Reported (IBNR) claims that existed at December 31, 2020.

Capital Asset and Debt Administration

Capital Assets. The District's investment in capital assets for its governmental and business type activities as of December 31, 2020 amounts to \$82,989,810 (net of accumulated depreciation). This investment in capital assets includes land, buildings, vehicles, and equipment. The major additions to the fixed assets in 2020 are construction in progress attributable to Station 20 construction.

	Business Type		Governmental		Total
	Activities	Activities	Activities	Activities	
	2020	2019	2020	2019	2019
Land	\$ 7,547,556	\$ 2,598,566	\$ 10,146,122	\$ 7,547,556	\$ 10,146,122
Buildings	70,953,768	3,186,376	44,140,141	42,360,966	45,779,480
Vehicles	14,481,022	—	14,481,022	16,312,230	16,312,230
Equipment	3,500,350	209,596	6,709,946	8,465,216	8,465,216
Construction in Progress	7,512,576	—	7,512,576	727,580	727,580
Total	\$ 76,995,272	\$ 3,994,538	\$ 82,989,810	\$ 75,411,948	\$ 81,392,028

During 2020, the District reviewed its current assets and removed disposed of assets that were no longer in use. Additional information on the District's capital assets can be found in the notes sections on page 42 of this report.

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 capital 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 declined during the current fiscal year by \$4.2 million mostly due to decreased net pension liability. 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 8 and 9 on page 44 in the notes section of this report.

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

	Governmental	Business Type	Total	Governmental	Business Type	Total
	Activities	Activities		Activities	Activities	
	2020	2020	2020	2019	2019	2019
Compensated absences	\$ 7,085,476	\$ —	\$ 7,085,476	\$ 7,006,912	\$ —	\$ 7,006,912
Net pension liability	2,278,754	—	2,278,754	6,593,885	—	6,593,885
	\$ 9,364,230	\$ —	\$ 9,364,230	\$ 13,600,797	\$ —	\$ 13,600,797

Economic Factors and Next Year's Budgets

In 2020, South Metro/Cunningham Fire Rescue Authority dissolved and started operating as one fire district, South Metro Fire Rescue Fire Protection District.

Since March of 2020, the District has been experiencing the COVID-19 pandemic along with the rest of the nation. The pandemic affected the District in many ways including increased personal protective gear needs, differing safety concerns than in prior years, along with revenue concerns related to the decreased construction and vehicle purchases within the District boundaries. The District received various grant funds to offset the unexpected expenditure outcomes related to the pandemic. The revenue concerns will most likely affect future year budgets and the District's long-term financial plan.

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, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 45,329,162	\$ 2,178,711	\$ 47,507,873
Cash and investments - restricted	5,022,720	—	5,022,720
Receivables (net of allowance for uncollectible)	6,134,394	—	6,134,394
Interest receivable	97,866	—	97,866
Receivable - County Treasurer	115,416,510	—	115,416,510
Prepaid expense	2,330,717	5,316	2,336,033
Inventories	482,705	—	482,705
Net pension asset	2,588,820	—	2,588,820
Capital assets, not being depreciated:			
Land	7,547,556	2,598,566	10,146,122
Construction in progress	7,512,576	—	7,512,576
Capital assets (net of accumulated depreciation):			
Building	40,953,768	3,186,376	44,140,144
Vehicles	14,481,022	—	14,481,022
Equipment	6,500,350	209,596	6,709,946
Total capital assets	76,995,272	5,994,538	82,989,810
Total assets	255,428,666	8,473,495	263,902,161
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	12,585,901	—	12,585,901
Total deferred outflows of resources	12,585,901	—	12,585,901
LIABILITIES			
Accounts and wages payables	5,375,372	70,269	5,445,641
Unearned revenue	22,319	—	22,319
Long-term liabilities:			
Due within one year:			
Compensated absences	708,548	—	708,548
Medical INSUR liability	678,900	—	678,900
Due beyond one year:			
Compensated absences	6,376,928	—	6,376,928
Net pension liability	2,278,784	—	2,278,784
Total liabilities	15,440,851	70,269	15,511,120
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax revenue	115,416,510	—	115,416,510
Deferred inflows related to pensions	2,686,298	—	2,686,298
Total deferred inflows of resources	118,102,808	—	118,102,808
NET POSITION			
Net investment in capital assets	76,995,272	5,994,538	82,989,810
Restricted:			
Emergency reserve (TABDR)	4,334,557	—	4,334,557
Pension funds	689,471	—	689,471
Unrestricted	52,421,108	2,413,718	54,834,826
Total net position	134,110,108	8,408,256	142,518,364

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, 2020**

	Program Revenues			Net (Expenses) Revenue & Changes in Net Position		
	Leases	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business Type Activities	Total
FUNCTIONS/PROGRAMS						
Governmental activities						
Head operations	\$ (91,286,977)	\$ 11,518,013	\$ 605,564	\$ (92,363,400)	\$ —	\$ (92,363,400)
Support services	(19,592,388)	380,039	—	(19,212,349)	—	(19,212,349)
Fees services	(5,037,425)	351,281	—	(4,686,144)	—	(4,686,144)
Fire Marshal	(5,143,359)	387,387	—	(4,755,972)	—	(4,755,972)
Dispatch	(3,159,551)	1,577,000	—	(1,582,551)	—	(1,582,551)
Training	(3,638,030)	98,565	—	(3,539,465)	—	(3,539,465)
Total governmental activities	(140,737,887)	14,128,455	605,564	(126,003,868)	—	(126,003,868)
Business-type activities						
Building rental	(85,522)	877,891	—	—	(1,970)	(79,601)
Total business-type activities	(85,522)	877,891	—	—	(1,970)	(79,601)
Total government	\$ (140,823,409)	\$ 14,965,637	\$ 605,564	(126,003,868)	(47,970)	(126,051,838)
General revenues						
Property taxes				13,457,721	—	13,457,721
Specific owners' pay				8,924,544	—	8,924,544
State tax				347,056	—	347,056
Medicaid supplemental fee				5,076,521	—	5,076,521
Investment earnings				1,229,751	3,095	1,232,846
Miscellaneous income				319,651	1,150	320,801
Gain on sale of assets				1,551	—	1,551
Total general revenues				17,367,805	4,245	17,372,050
Change in net position				4,063,940	(12,725)	4,051,215
Net position - beginning				130,374,468	3,420,981	133,795,449
Net position - ending				\$ 134,438,408	\$ 3,408,256	\$ 137,846,664

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

**SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	General Fund	Capital Projects Fund	Cherry Hills Property Tax Special Revenue Fund	Total Governmental Funds
ASSETS				
Cash and investments	\$ 42,954,945	\$ 1,29,821	\$ —	\$ 44,375,766
Cash and investments - restricted	4,334,557	—	688,155	5,022,712
Accounts receivable, net	6,116,244	—	1,308	6,117,552
Interest receivable	97,866	—	—	97,866
Due from Self-Insured Medical Fund	1,000,000	—	—	1,000,000
Property taxes receivable	115,179,090	—	267,220	115,446,310
Prepaid items	2,213,176	117,541	—	2,330,717
Inventory	1,782,705	—	—	1,782,705
Total assets	<u>\$ 173,378,583</u>	<u>\$ 1,538,362</u>	<u>\$ 956,891</u>	<u>\$ 175,873,836</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued liabilities	\$ 1,399,106	\$ 1,538,362	\$ —	\$ 2,937,468
Accrued wages	2,737,904	—	—	2,737,904
Total liabilities	<u>4,137,010</u>	<u>1,538,362</u>	<u>—</u>	<u>5,675,372</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	22,319	—	—	22,319
Unavailable property tax revenue	115,179,090	—	267,220	115,446,310
Total deferred inflows of resources	<u>115,201,409</u>	<u>—</u>	<u>267,220</u>	<u>115,468,629</u>
FUND BALANCES				
Non-spendable:				
Inventory	1,782,705	—	—	1,782,705
Prepaid items	2,213,176	117,541	—	2,330,717
Restricted:				
Emergency reserve	4,334,557	—	—	4,334,557
Pension funds	—	—	689,471	689,471
Unassigned	46,309,720	(117,541)	—	46,192,179
Total fund balances	<u>54,340,164</u>	<u>—</u>	<u>689,471</u>	<u>55,029,635</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 173,378,583</u>	<u>\$ 1,538,362</u>	<u>\$ 956,891</u>	
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources, and therefore are not reported in the funds				76,995,272
Long-term liabilities, including compensated absences are not due and payable in the current period and therefore are not reported in these funds				(7,085,476)
Internal service fund assets and liabilities are reported as governmental activities in the statement of net position				(708,662)
Pension related actuarial assumptions, differences between actual and expected experience and investment earnings				<u>10,209,639</u>
Net position of governmental activities				<u>\$ 131,410,708</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, 2020**

	General Fund	Capital Projects Fund	Cherry Hills Property Tax Special Revenue Fund	Totals
REVENUES				
Property taxes	\$ 114,927,531	\$ —	\$ 265,190	\$ 115,192,721
Special ownership taxes	3,905,537	—	19,070	3,924,607
Excise taxes	317,056	—	—	317,056
Net investment earnings	209,918	7,821	3,637	221,376
Charges for services - transports	9,695,303	—	—	9,695,303
Charges for services - plant work fees	1,808,075	—	—	1,808,075
Contracted services	312,120	—	—	312,120
Medicare/medicaid supplemental fee	5,543,184	—	—	5,543,184
Dispatch fees	115,770	—	—	115,770
Reimbursements	2,037,085	—	—	2,037,085
Rental income	180,279	—	—	180,279
Miscellaneous revenue	1,138,445	—	—	1,138,445
Total revenues	144,485,740	7,821	289,837	144,782,898
EXPENDITURES				
Public safety				
Administration	18,396,797	—	3,685	18,400,482
Equipment	93,579,231	88,757	216,735	93,884,723
Training	3,650,775	—	—	3,650,775
Fire Marshal	5,076,746	—	—	5,076,746
Dispatch	3,095,996	—	—	3,095,996
Fleet maintenance	3,811,618	—	—	3,811,618
Utilities	3,821,887	—	—	3,821,887
Facilities maintenance	1,987,695	—	—	1,987,695
Capital outlay	396,122	7,666,732	—	8,062,854
Total expenditures	133,879,359	7,755,219	220,420	141,855,038
Excess of Revenues Over (Under) Expenditures	10,606,481	(7,747,398)	69,417	2,928,500
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	(7,747,398)	—	—	(7,747,398)
Transfers from other funds	—	7,747,398	—	7,747,398
Sale of fixed assets	133,988	—	—	133,988
Total other financing sources (uses)	(7,613,410)	7,747,398	—	133,988
Net change in fund balances	3,052,471	—	69,417	3,121,888
Fund balances - beginning of year	51,287,695	—	320,251	51,607,946
Fund balances - end of year	\$ 54,340,166	\$ —	\$ 389,668	\$ 54,729,834

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, 2020**

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

Net change in fund balances - Total Governmental Funds	\$	3,121,588
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital asset additions (less removed assets)		(7,012,410)
Depreciation expense		8,595,764

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

Compensated absences - change in liability		(18,564)
Pension expense (income)		148,254

Internal service fund net expense is included in the governmental activities		(708,662)
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Changes in net position of governmental activities	<u>\$</u>	<u>4,065,940</u>
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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, 2020

	Business Type Activities - Building Rental Fund	Governmental Activities - Self- Insured Internal Service Fund
ASSETS		
Current assets:		
Cash and investments	\$ 2,478,741	\$ 953,396
Receivables (net of allowance for uncollectable)	—	16,812
Prepaid items	5,216	—
Total current assets	<u>2,483,957</u>	<u>970,238</u>
Capital assets:		
Land	2,598,566	—
Buildings	5,776,602	—
Equipment	2,135,222	—
Less accumulated depreciation	(2,594,152)	—
Total capital assets (net of accumulated depreciation)	<u>5,994,538</u>	<u>—</u>
Total assets	<u><u>8,478,495</u></u>	<u><u>970,238</u></u>
LIABILITIES		
Current liabilities:		
Accounts payable	70,239	—
Due to General Fund	—	1,000,000
Medical IBNR liability	—	678,900
Total current liabilities	<u>70,239</u>	<u>1,678,900</u>
NET POSITION		
Net investment in capital assets	5,994,538	—
Unrestricted	2,413,718	(708,662)
Total net position	<u>\$ 8,408,256</u>	<u>\$ (708,662)</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, 2020**

	Business Type Activities - Building Rental Fund	Governmental Activities - Self-Insured Internal Service Fund
OPERATING REVENUES		
Charges for services	\$ 837,182	\$ 12,172,080
OPERATING EXPENSES		
Building and grounds maintenance	608,545	—
Depreciation	276,607	—
Medical	—	12,857,485
Total operating expenses	885,152	12,857,485
Operating loss	(47,970)	(685,405)
NONOPERATING INCOME		
Investment income	34,095	6,372
Miscellaneous	1,150	30,665
Total nonoperating income	35,245	37,037
Change in net position	(12,725)	(648,368)
Total net position - beginning of year	8,720,981	(60,294)
Total net position - end of year	\$ 8,408,256	\$ (708,662)

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, 2020

	Business Type Activities - Building Rental Fund	Governmental Activities - Self-Insured Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 837,126	\$ 12,172,080
Payments to suppliers	(584,151)	(11,730,594)
Net cash provided by operating activities	<u>253,295</u>	<u>471,486</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital purchases	(284,055)	—
Net cash (used) by capital and related financing activities	<u>(284,055)</u>	<u>—</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	34,095	63,732
Miscellaneous	1,150	30,665
Net cash (used) by investing activities	<u>35,245</u>	<u>37,037</u>
Net increase in cash and deposits	4,475	538,523
Cash and deposits, January 1	<u>2,474,266</u>	<u>2,438,732</u>
Cash and deposits, December 31	\$ 2,478,741	\$ 2,977,255
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating loss	<u>\$ (47,970)</u>	<u>\$ (685,405)</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	276,607	—
Increase (decrease) in:		
Accounts receivable	274	477,991
Prepaids	(165)	—
Increase (decrease) in:		
Accounts payable	21,579	678,900
Total adjustments	<u>301,295</u>	<u>1,156,891</u>
Net cash provided by operating activities	<u>\$ 253,295</u>	<u>\$ 471,486</u>

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

**SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2020**

	JACC Custodial Fund	Total Pension Trust Funds
ASSETS		
Cash and cash equivalents	\$ 112,805	\$ —
Cash and investments held by trustee	—	264
Total assets	\$ 112,805	\$ 264
 LIABILITIES		
Payables	928	
Total liabilities	\$ 928	
 NET POSITION		
Fiduciary Net Position - held for others	\$ 111,877	
Fiduciary Net Position - restricted for pensions		\$ 264

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

**SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2020**

	JACC Custodial Fund	Total Pension Trust Funds
ADDITIONS		
Reimbursements	\$ 250,000	\$ —
Net investment income	—	—
Total additions	<u>250,000</u>	<u>—</u>
DEDUCTIONS		
Administrative expenses	<u>313,574</u>	<u>—</u>
Total deductions	<u>313,574</u>	<u>—</u>
Changes in net position	(63,574)	—
Net position - beginning	<u>175,451</u>	<u>263</u>
Net position - ending	<u>\$ 111,877</u>	<u>\$ 264</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, 2020**

NOTE 1 - 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 (CTPD) agreed to integrate all aspects of their operations, administration, and services through the formation of a separate legal entity pursuant to §29-1-203(1), 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 and 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 Boards 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.

In accordance with GASB Statement No. 84, the District has implemented the requirements of this Statement in the year ended December 31, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements report information on all of the non-fiduciary activities of the primary government. All fiduciary activities are reported only in the fiduciary fund financial statements. The effect of inter-fund activity has been removed from these statements. 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 and the sum of liabilities and deferred inflows 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 individual governmental and enterprise 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 is computed and recorded as an operating expense. Expenditures for property, 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 received 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).

Special Revenue Fund:

- The Cherry Hills Property Tax 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 PPA 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.

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 medical claims of the insured.

The District reports the following fiduciary fund types:

Pension Trust Fund:

- South Metro Fire Rescue Volunteer Firefighter Pension Trust (Formerly Castlewood Fire) is administered by Wells Fargo. These funds are used to account for transactions relating to assets held by a trustee on behalf of the District for its pension plans beneficiaries. This plan was closed in March 2021.

JACC Custodial Fund:

- The JACC Fund collects funding for the Jefferson Arapahoe Communications Center (JACC) from Arapahoe County 911 Authority and the funds are used for the operations of the JACC.

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 good 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.

Pension Plans that are agent-multiple employer plans for purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Fire and Police Pension Association of Colorado (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 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.

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 Assets

Capital 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 of three years or more. 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 expense has 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

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 proprietary 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, net of estimated uncollectible taxes, are recorded initially as deferred inflows of resources in the year they are levied and measurable. The deferred property tax revenues are 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 Items

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 \$5,000.

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 position 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 14).

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 position that applies to a future period and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. The deferred revenue is fees that have been collected for

classes to be held in the following year and insurance reimbursements for vehicles that haven't been repaired in the current fiscal year. The item, deferred revenue, is reported only in the governmental funds balance sheet. We also have deferred inflows related to pensions. For additional information refer to note 14 on page 16 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 Equity

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 – The residual portion of fund balance that does not meet any of the criteria described above. Additionally, the unassigned fund balance is generally a negative amount, except for in the general fund, which reports a positive unassigned fund balance amount. The negative amount is appropriate in other governmental funds (excluding the general fund) if the expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes.

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 liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, 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 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2020 are classified in the accompanying financial statements as follow:

Statement of net position:

Cash and investments	\$	47,807,903
Cash and investments - restricted		<u>5,022,720</u>
Total cash and investments	\$	<u>52,830,623</u>

Cash and investments as of December 31, 2020 consist of the following:

Deposits with financial institutions	\$	3,151,305
Investments		<u>49,679,318</u>
Total cash and investments	\$	<u>52,830,623</u>

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, 2020, 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 has recurring fair value measurements through Colotrust that are valued using the market approach with maturities based on a weighted average under 60 days approach.

The District does not have recurring fair value measurements as of December 31, 2020, 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>Amortized Costs</u>	<u>Net Asset Value (NAV)</u>	<u>Total</u>
Colotrust	—	—	—	—	23,451,474	23,451,474
Chandler	—	8,303,576	—	25,499	—	8,329,075
PFM	—	17,090,408	—	13,867	—	17,104,275
Total	—	25,393,984	—	39,366	23,451,474	48,844,824

As of December 31, 2020, 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	\$ 4,207,703	1.69	
US Agencies	2,913,875	2.64	
Supranational Bonds	281,257	0.39	AAA/Aaa
Corporate Bonds	870,741	1.08	AA+/Aa1
Total Fair Value	\$ 8,303,576	1.45	AA+/Aaa

As of December 31, 2020, the District had the following investments in a third managed portfolio managed by PFM Asset Management LLC externally. 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	\$ 4,847,862	2.12	
US Agencies	6,392,852	0.92	
Municipal Bonds	3,310,050	1.64	AA+/Aa1
Certificates of Deposit	1,216,513	1.31	AA- Aa2
Supranational Bonds	772,607	1.05	AAA/Aaa
Corporate Notes	550,524	2.38	AA Aa1
Total Fair Value	\$ 17,090,408	1.57	AA+/NR

Local Government Investment Pools – As of December 31, 2020, the District had funds invested in local government investment pools which are rated AAA.

- **Colotrust:** The District invested in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals.

The custodian's internal records segregate investments owned by the Trust. Colotrust is rated AAAm by Standard & Poor's.

- 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 (21-15-601). 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.

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 4 - 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 \$2.3 million, are as follows:

	General Fund	Capital Projects	Cherry Hills Special Revenue Fund	Self-Assessed Internal Service Fund	Total Governmental Funds
Accounts	\$ 6,134,244	\$ —	\$ 1,308	\$ 6,842	\$ 6,134,394
Taxes	115,179,090	—	267,120	—	115,446,510
Interest	97,866	—	—	—	97,866
Total Receivables	\$ 121,408,200	\$ —	\$ 268,428	\$ 6,842	\$ 121,678,770

	Building Rental Fund	Total Proprietary Funds	Total All Funds
Accounts	\$ —	\$ —	\$ 16,842
Taxes	—	—	—
Interest	—	—	—
Total Receivables	\$ —	\$ —	\$ 16,842

Governmental funds report deferred revenues 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	\$ 115,179,090
Cherry Hills Property taxes receivable (Special Revenue Fund)	267,420
	<u>\$ 115,446,510</u>

NOTE 5 - CAPITAL ASSETS

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 7,547,556	\$ —	\$ —	\$ 7,547,556
Construction in progress	727,980	6,784,596	—	7,512,576
Total capital assets, not being depreciated	8,275,536	6,784,596	—	15,060,132
Capital assets, being depreciated:				
Buildings	57,473,490	380,657	778,790	57,075,357
Vehicles	42,264,943	1,238,339	2,337,354	41,165,928
Equipment	25,794,242	206,937	12,506,819	13,494,360
Total capital assets, being depreciated	125,532,675	3,825,933	15,622,963	121,735,645
Less accumulated depreciation for:				
Buildings	(25,112,524)	(1,787,849)	(778,790)	(26,121,583)
Vehicles	(25,952,713)	(3,069,546)	(2,337,353)	(26,684,906)
Equipment	(11,333,026)	(2,050,370)	(12,387,586)	(6,994,911)
Total accumulated depreciation	(58,398,263)	(6,907,765)	(15,503,529)	(59,809,557)
Total capital assets, being depreciated, net	67,136,412	(3,081,832)	119,434	64,935,140
Governmental activities capital assets, net	75,111,948	1,702,763	119,434	76,995,272
Business-type activities:				
Capital assets, not being depreciated:				
Land	2,598,566	—	—	2,598,566
Total capital assets, not being depreciated	2,598,566	—	—	2,598,566
Capital assets, being depreciated:				
Buildings	12,161,294	10,843	6,455,235	5,716,902
Equipment	—	213,522	—	213,522
Total capital assets, being depreciated	12,161,294	281,065	6,455,235	5,990,121
Less accumulated depreciation for:				
Buildings	(8,772,780)	(272,687)	(6,455,235)	(2,599,226)
Equipment	—	(3,926)	—	(3,926)
Total accumulated depreciation	(8,772,780)	(276,607)	(6,455,235)	(2,599,152)
Total capital assets, being depreciated, net	3,388,514	6,453	—	3,395,977
Business-type activities capital assets, net	\$ 5,987,080	\$ 7,153	\$ —	\$ 5,994,233

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

Depreciation by Program/Function

Governmental activities:

Field operations	\$ 1,209,155
Support services	2,986,089
Fleet services	2,649,014
Dispatch	46,150
Training	17,357
Total Depreciation expense - governmental activities	<u>\$ 6,907,765</u>

Business-type activities:

Building Rental	\$ 276,607
Total depreciation expense - business-type activities	<u>\$ 276,607</u>

NOTE 6 - INTERFUND TRANSFERS AND BALANCES

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

Transfers between funds during 2020 were as follows:

	<u>Transfers In:</u>	
	Capital Projects Fund	Total Transfers
<u>Transfer Out:</u>		
General Fund	\$ 7,747,398	\$ 7,747,398
Total Transfers Out	<u>\$ 7,747,398</u>	<u>\$ 7,747,398</u>

Interfund receivable and payable balances arise due to short-term cash flow needs. At December 31, 2020, the balances are as follows:

	<u>Due From:</u>	
	General Fund	Self Insured Medical Fund
<u>Due to:</u>		
General Fund	\$ —	\$ 1,000,000
Self Insured Medical Fund	1,000,000	—
Total	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>

NOTE 7 – LEASES

Operating Leases – Lessee

The District leases copy machines, staff vehicles, and EMS power loads under annually cancelable operating leases. The total lease payments in 2020 were \$119,463.

Operating Leases – Lessor

The District leases space in five of its buildings and on its communication tower to four cell phone or computer wireless companies. The communications tower has space leased to one neighboring fire district, a Communications District in the next county, and a school district for placement of antennas. The receipts for 2020 for renting this space were \$174,681.

The District leases a portion of its administrative building and the minimum anticipated receipts for the next five years are as follows:

	End Date	2021	2022	2023	2024	2025
State of CO						
Suite 350	2/28/2021	\$ 17,341	\$ -	\$ -	\$ -	\$ -
2nd floor	10/1/2024	218,748	218,748	218,748	164,061	-
GSA Suite 375	10/15/2022	109,195	86,416	-	-	-
		\$ 345,285	\$ 305,194	\$ 218,748	\$ 164,061	\$ -

NOTE 8 - GENERAL OBLIGATION DEBT

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

NOTE 9 - CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2020 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due within one year
Governmental Activities					
Compensated Absences	\$ 7,006,912	\$ 1,197,786	\$ 1,119,222	\$ 7,085,476	\$ 708,548
Pension Liability	5,645,505	—	5,367,172	2,278,333	—
Long-Term Liabilities	\$ 12,652,417	\$ 1,197,786	\$ 6,486,394	\$ 9,364,250	\$ 708,548

The General Fund will typically be used to liquidate compensated absences and pension related liabilities.

NOTE 10 - 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, 2020 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. The District was deprived of property tax revenues in the amount of \$599,491 during the year ended December 31, 2020 as a result. The total TIF amounts are outlined below:

	Prior Years	2020
Total TIF	\$ 891,022	\$ 599,491

NOTE 11 - 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, 2020. 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 Fund has been in existence since the creation of the District in 2008. 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 12 - 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. Two members of the District Board sit on the Foundation Board, as well as, one employee.

Related party transactions

In 2020, four employees were paid a total of \$8,329 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 \$13,422 with 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 13 - INTERGOVERNMENTAL AGREEMENTS

Maintenance and Training Facility

The District has entered into an agreement with the Town of Parker and the Douglas County School District to construct and operate a joint maintenance and training facility. The District's initial capital percentage was 50.23% and as of December 31, 2020, the District has contributed a total of \$4,930,284 towards the construction of the facility. Operational costs are shared based on predetermined percentages of use, which percentages vary for different portions of the facility. Since the operation does not intend to accumulate any equity beyond the value of the constructed assets, it is not considered to be a joint venture for accounting purposes.

NOTE 14 – 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, 2020 the District contributed and recognized as expense \$6,596,661 and employees contributed a total of \$6,596,661.

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 \$10,070 were returned to the plan during 2020.

At December 31, 2020, there were 732 plan members with 583 being active employees during the year. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan has a nine-member Trustee Board made up of the Fire Chief, Chief Financial Officer and the Human Resource Director by position. There are six elected trustees from the employee population and at least one elected member must be from the Administrative Employee Group (Support Services), the other five can be firefighters or administration.

Contributions made by plan members and the District for the year ended December 31, 2020, December 31, 2019, December 31, 2018 and December 31, 2017 are as follows:

Yova 401(a) Plan

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Employees	<u>\$6,596,661</u>	<u>\$5,488,538</u>	<u>\$4,783,454</u>	<u>\$4,279,383</u>
District	<u>\$6,596,661</u>	<u>\$5,488,538</u>	<u>\$4,783,454</u>	<u>\$4,279,383</u>

Defined Benefit Plans

The District also contributes to the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association (CFPPA). Some of the employees from former Cunningham Fire Protection District participate in the Statewide Defined Benefit Plan (SWDB) and some of the employees from former Littleton Fire Rescue participate in both SWDB and Statewide Hybrid Plan (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 any of the CFPPA pension plans.

In addition to the current employee plans, there are Pension Plans in place for former paid employees and volunteer members that have occurred through mergers or name changes

over the years. There are a total of four such plans. Three of the plans are part of an agent multiple-employer Public Employees Retirement System (PERS) administered by the Fire and Police Pension Association of Colorado (TPPA). One plan is a Volunteer Pension Plan.

The assets of the Plan are held and invested in the Fire and Police Members' Benefit Fund (the Common Fund). The purpose of the Common Fund is to collect, invest, administer, and disburse monies on behalf of firefighters and policemen in the State of Colorado for the New Hire Pension Fund, the Old Hire Fund, and the Death and Disability Fund.

Under the statutes, the Trustee of the Common Fund has full and unrestricted discretionary power and authority to invest and reinvest funds, subject to certain limitations, including a 50% maximum aggregate investment in common and preferred stocks and a 5% maximum investment in any one company.

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:

Single discount rate: Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax exempt municipal bond rate based on an index of 20-year general obligation bonds with a average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 2.75% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00%.

Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

At December 31, 2020 the District reported the following for the five plans:

	Net Pension Liability	Net Pension (Asset)	Pension Expense (Income)	Deferred Inflows	Deferred Outflows
Denver Fire Protection District Volunteer Plan	\$ 348,580	\$ —	\$ (12,326)	\$ 8,863	\$ 45,550
South Metro Fire Rescue Volunteer Plan	75,825	—	273	9,362	11.3
Cherry Hills Old Hire Plan	1,853,353	—	(124,311)	59,944	216,735
South Metro TPPA Plan - SWDB	—	(1,572,926)	(153,666)	2,533,467	17,061,329
South Metro TPPA Plan - SWL	—	(1,015,394)	141,971	127,659	1,259,906
Totals	\$ 2,278,761	\$ (2,588,820)	\$ (148,257)	\$ 2,686,295	\$ 12,585,901

The net pension liability was measured as of December 31, 2019 and the total pension liability was determined by an actuarial valuation of January 1, 2019 for the two volunteer

plans and a valuation of January 1, 2020 for the old hire plan. Standard update procedures were used to roll forward the total pension liability to December 31, 2019. For the year ended December 31, 2020 the District recognized total pension income of \$148,251.

The target allocation and the benchmark returns for each asset class for the five plans is as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global equity	38.00 %	7.00 %
Equity long short	8.00 %	6.00 %
Private markets	25.00 %	9.20 %
Fixed income	15.00 %	5.20 %
Absolute return	8.00 %	5.50 %
Managed futures	4.00 %	5.00 %
Cash	2.00 %	2.52 %
Total	100.00 %	

Single Discount Rate Sensitivity

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

SENSITIVITY OF NET PENSION LIABILITY/(ASSET) TO THE SINGLE DISCOUNT RATE

	1% Decrease 6.00 %	Current Single Discount Rate Assumption 7.00 %	1% Increase 8.00 %
Parker Fire Volunteer	\$ 393,071	\$ 348,580	\$ 309,551
South Metro Volunteer	105,713	76,851	51,882
Cherry Hills Old Hire	2,201,702	1,853,354	1,519,889
South Metro FPPA Plan - SWDB - proportionate share	9,536,992	(1,572,926)	(10,787,133)
South Metro FPPA Plan - SWH - proportionate share	(617,880)	(1,015,894)	(1,348,864)

2) Parker Fire Protection District Volunteer Pension Plan

The Pension Fund's Board of Trustees is comprised of the five Directors of the Parker Fire Protection District plus two retired volunteer members. At December 31, 2020, 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 \$420 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 \$21 per month for each year of service for a minimum of \$ 210. 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, 2019. The next study will be performed January 1, 2021. The actuarial study as of January 2019 determines the contributions for 2020 and 2021 which is \$45,550.

For the year ended December 31, 2020, the District recognized pension income of \$12,326. At December 31, 2020, 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	\$ —	\$ —
Changes of assumptions or other inputs	—	—
Net difference between projected and actual earnings on pension plan investments	—	3,365
Changes in proportion and differences between contributions recognized and appropriate share of contributions	—	—
Contributions subsequent to the measurement date	45,550	—
Total	\$ 45,550	\$ 3,365

A summary of the available history of the Annual Required Contribution as compared to actual contributions is as follows:

Annual Required Contribution - Parker Fire Volunteer Pension Plan

Fiscal Year Ending	Annual Required Contribution	Actual Contribution	Percent
December 31			
2011	\$ 24,628	\$ 24,628	100 %
2012	24,628	24,628	100 %
2013	27,895	27,895	100 %
2014	27,895	27,895	100 %
2015	27,596	27,596	100 %
2016	28,670	28,670	100 %
2017	28,670	28,670	100 %
2018	30,619	30,619	100 %
2019	30,619	30,619	100 %
2020	45,550	45,550	100 %

The changes in the net pension liability for the measurement period at December 31, 2019 are calculated as follows:

A. Total Pension Liability	
Interest on the Total Pension Liability	\$ 41,885
Difference between expected and actual experience of the Total Pension Liability	-
Changes of assumptions	-
Benefit payments	<u>(69,265)</u>
Net change in total pension liability	\$ (27,380)
Total pension liability - beginning	<u>632,411</u>
Total pension liability - ending	<u><u>\$ 605,031</u></u>
B. Plan fiduciary net position:	
Contributions - employer	\$ 61,238
Net investment income	33,879
Benefit payments	(69,265)
Pension plan Administrative Expense	<u>(5,318)</u>
Net change in plan fiduciary net position	\$ 20,504
Plan fiduciary net position - beginning (Market value of assets at beginning of year)	<u>235,947</u>
Plan fiduciary net position - ending (Market value of assets at end of year)	<u><u>\$ 256,451</u></u>
C. Net pension liability/(asset)	<u><u>\$ 348,580</u></u>
D. Plan fiduciary net position as a percentage of the total pension liability	42.39 %

Contributions subsequent to the measurement date of December 31, 2019, 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, 2020. 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
2021	(2,090)
2022	(3,513)
2023	305
2024	(3,565)
2025	—
Thereafter	<u>—</u>
Total	<u><u>\$ (8,863)</u></u>

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 \$400 per month may commence when the retiree has twenty years of qualified service and is at least 50 years of age. Reduced benefits of \$20 per month may be earned after ten years of qualified service at age 50 up to a maximum of \$200. Spouses of deceased firefighters may receive 50% of the current pension benefits. There is a \$100 funeral benefit.

At December 31, 2020 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, 2019. The next study will be performed January 1, 2021. The actuarial study as of January 2019 determines that \$11,311 is needed for the 2020 and 2021 years.

For the year ended December 31, 2020, the District recognized pension expense of \$278. At December 31, 2020, 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	\$ —	\$ —
Changes of assumptions or other inputs	—	—
Net difference between projected and actual earnings on pension plan investments	—	9,365
Changes in proportion and differences between contributions recognized and proportionate share of contributions	—	—
Contributions subsequent to the measurement date	11,311	—
Total	<u>\$ 11,311</u>	<u>\$ 9,365</u>

A summary of the available history of the Annual Required Contribution as compared to actual contributions is as follows:

Annual Required Contribution - South Metro (Louviers) Volunteer Pension Plan

Fiscal Year Ending	Annual Required Contribution	Actual Contribution	Percent
December 31			
2011	\$ —	\$ —	100 %
2012	—	—	100 %
2013	—	—	100 %
2014	—	—	100 %
2015	—	—	100 %
2016	—	—	100 %
2017	—	—	100 %
2018	2,070	2,070	100 %
2019	2,070	2,070	100 %
2020	11,311	11,311	100 %

The changes in the net pension liability/(asset) for the measurement period at December 31, 2019 is calculated as follows:

A. Total Pension Liability	
Interest on the Total Pension Liability	\$ 24,080
Difference between expected and actual experience of the	
Total Pension Liability	-
Changes of assumption	-
Benefit payments	<u>(36,300)</u>
Net change in total pension liability	\$ (12,220)
Total pension liability - beginning	<u>361,849</u>
Total pension liability - ending	<u><u>\$ 349,629</u></u>
B. Plan fiduciary net position	
Contributions - employer	\$ 4,140
Net investment income	36,827
Benefit payments	<u>(36,300)</u>
Pension plan Administrative Expense	<u>(3,889)</u>
Net change in plan fiduciary net position	\$ 778
Plan fiduciary net position - beginning (Market value of assets at beginning of year)	<u>272,000</u>
Plan fiduciary net position - ending (Market value of assets at end of year)	<u><u>\$ 272,778</u></u>
C. Net pension liability (asset)	<u><u>\$ 76,851</u></u>
D. Plan fiduciary net position as a percentage of the total pension liability	78.02 %

Contributions subsequent to the measurement date of December 31, 2019, 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, 2020. 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
2021	\$ (2,324)
2022	(3,686)
2023	452
2024	(3,807)
2025	—
Thereafter	—
Total	<u>\$ (9,365)</u>

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, 2020, 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 will be done as of January 1, 2022. The contribution was recorded from the 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.

For the year ended December 31, 2020, the District recognized pension income of \$724,311. At December 31, 2020, 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	\$ —	\$ —
Changes of assumptions or other inputs	—	—
Net difference between projected and actual earnings on pension plan investments	—	39,944
Changes in proportion and differences between contributions recognized and proportionate share of contributions	—	—
Contributions subsequent to the measurement date	216,735	—
Total	\$ 216,735	\$ 39,944

A summary of the available history of the Annual Required Contribution as compared to actual contributions is as follows:

Annual Required Contribution - Cherry Hills Paid Pension			
Fiscal Year Ending	Annual Required Contribution	Actual Contribution	Percent
December 31			
2011	176,740	176,740	100 %
2012	176,740	176,740	100 %
2013	206,100	206,100	100 %
2014	206,100	201,921	98 %
2015	201,921	201,921	100 %
2016	201,921	201,921	100 %
2017	214,110	214,110	100 %
2018	214,110	214,110	100 %
2019	216,735	216,735	100 %
2020	216,735	216,735	100 %

The changes in the net pension liability/(asset) for the measurement period at December 31, 2019 is calculated as follows:

A. Total pension liability	
Interest on the Total Pension Liability	\$ 305,634
Difference between expected and actual experience of the Total Pension Liability	\$ (353,791)
Changes of assumptions	\$ 268,236
Benefit Payments	<u>(377,681)</u>
Net change in pension liability	\$ (157,602)
Total pension liability - beginning	<u>4,260,540</u>
Total pension liability - ending	<u><u>\$ 4,102,938</u></u>
B. Plan fiduciary net position	
Contributions - employer	\$ 430,845
Net investment income	255,681
Benefit payments	(377,681)
Pension Plan Administrative Expense	<u>(3,070)</u>
Net change in plan fiduciary net position	<u>\$ 305,775</u>
Plan fiduciary net position - beginning (Market value of assets at beginning of year)	<u>1,943,809</u>
Plan fiduciary net position - ending (Market value of assets at end of year)	<u><u>\$ 2,249,584</u></u>
C. Net pension liability	<u><u>\$ 1,853,354</u></u>
D. Plan fiduciary net position as a percentage of the total pension liability	54.83 %

Contributions subsequent to the measurement date of December 31, 2019, 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, 2020. 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
2021	\$ (9,199)
2022	(18,443)
2023	9,309
2024	(21,611)
2025	—
Thereafter	<u>—</u>
Total	<u><u>\$ (39,944)</u></u>

The Pension Plan is funded entirely by a mill levy assessed on the former Cherry Hills Fire Protection District. For 2020 the mill levy was 0.500 mills.

5) South Metro Fire State 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.

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the SWDB Plan. Benefits paid to retired members are evaluated and may be redetermined 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.

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 SWDB plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary 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, 2020, 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 are 8 percent in 2019 and 2020. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings. In 2019, members of the SWDB plan and their employers are contributing at the rate of 10.5 percent and 8 percent, respectively, of pensionable earnings for a total contribution rate of 18.5 percent.

Members of the SWDB plan and their employers contributing at the rate of 10 percent and 8 percent, respectively, of base salary for a total contribution rate of 18 percent in 2018. 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 base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 22.5 percent and 23.0 percent of pensionable earnings in 2019 and 2020, respectively. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4 percent contribution, to reflect the actual cost of reentry by department, to the plan for reentry contributions. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

The member contribution rate as of December 31, 2020 for members hired prior to April 1, 2009 was 13% and the District's contribution rate was 10%. For members hired after April 1, 2009 the member contribution rate as of December 31, 2020 was 11% and the District's contribution rate was 8%. Contributions to the SWDB plan from the District were \$1,679,084 for the year ended December 31, 2020.

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

At December 31, 2020, the District reported an asset of \$1,572,926 for its proportionate share of the SWDB net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. 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, 2019, the District's proportion was 2.781 percent, which was a decrease of 0.217 percent from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the District recognized pension income of \$153,866. At December 31, 2020, 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	\$ 5,323,072	\$ 30,789
Changes of assumptions or other inputs	2,986,653	—
Net difference between projected and actual earnings on pension plan investments	—	2,472,678
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,072,590	—
Contributions subsequent to the measurement date	1,679,084	—
Total	\$ 11,061,399	\$ 2,503,467

Total reported deferred outflows of resources related to pension were \$1,679,084 resulting from District contributions subsequent to measurement date will be recognized as a reduction of the net pension asset in the year ended December 31, 2021. 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
2020	\$ 2,554,619
2021	338,040
2022	1,142,453
2023	99,068
2024	1,154,184
Thereafter	2,520,335
Total	\$ 7,808,698

Actuarial Assumptions. The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2019. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarially Determined Contributions
Actuarial valuation date	January 1, 2020	January 1, 2019
Actuarial method	Entry Age Normal	Entry Age Normal
Amortization method	N/A	Level % of Payroll, Open
Amortization period	N/A	30 years
Long-term investment rate of return*	7.00%	7.00%
Projected salary increases**	4.25% - 11.25%	4.25% - 11.25%
Cost of living adjustments (COLA)	0.00%	0.00%
*Includes inflation at	2.50%	2.50%

For determining the total pension liability and actuarially determined contributions, the 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, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	38%	7.00%
Equity long short	8%	6.00%
Private markets	25%	9.20%
Fixed income	15%	5.20%
Absolute return	8%	5.50%
Managed futures	4%	5.00%
Cash	2%	2.52%
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:

	Current Discount Rate		
	1% Decrease (6.0%)	(7.0%)	1% Increase (8.0%)
Proportionate share of the net pension liability (asset)	9,536,992	(1,572,926)	(10,787,133)

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

6) South Metro Fire 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 SWII 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 SWII plan once affiliated.

The SWII 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 37, 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 SWII 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 SWII 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 base salary. 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, 2019 through June 30, 2020 was 13.80 percent. The Defined Benefit Component contribution rate from July 1, 2018 through June 30, 2019 was 13.40 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 \$79,038 for the year ended December 31, 2020.

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

At December 31, 2020, the District reported an asset of \$1,015,894 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset was based upon the January 1, 2020 actuarial valuation. The District's proportion of the net pension asset was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined at December 31, 2019 based upon the January 1, 2019 actuarial valuation. At December 31, 2019, the District's proportion was 5.217 percent.

For the year ended December 31, 2020, the District recognized a pension expense of \$141,971. At December 31, 2020, 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	\$ 481,970	\$ —
Changes of assumptions or other inputs	85,111	—
Net difference between projected and actual earnings on pension plan investments	—	121,659
Changes in proportion and differences between contributions recognized and proportionate share of contributions	505,243	—
Contributions subsequent to the measurement date	75,582	—
Total	\$ 1,250,906	\$ 121,659

The \$76,582 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2021. 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
2020	\$ 103,787
2021	93,658
2022	133,477
2023	60,776
2024	45,050
Thereafter	6,674
Total	<u>\$ 443,422</u>

Actuarial assumptions. The actuarial valuations for the SWH – Defined Benefit Component were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2019. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial valuation date	January 1, 2020	January 1, 2019
Actuarial method	Entry Age Normal	Entry Age Normal
Amortization method	N/A	Level % of Payroll, Open
Amortization period	N/A	30 years
Long-term investment rate of return*	7.00%	7.00%
Projected salary increases*	4.25% - 11.25%	4.25% - 11.25%
Cost of living adjustments (COLA)	0.00%	0.00%
*Includes inflation at	2.50%	2.50%

For determining the total pension liability and actuarially determined contributions, the 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 TPPA'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 TPPA'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, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	
Global equity	38%	7.00%	7.00%
Equity long/short	8%	6.00%	6.00%
Private markets	25%	9.20%	9.20%
Fixed income	15%	5.20%	5.20%
Absolute return	8%	5.50%	5.50%
Managed futures	4%	5.00%	5.00%
Cash	2%	2.52%	2.52%
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:

	Current Discount		
	1% Decrease (6.0%)	Rate (7.0%)	1% Increase (8.0%)
Proportion share of the net pension liability (asset)	(6,7,880)	(1,015,894)	(1,348,864)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued FPPA financial report.

7) **South Metro Fire Rescue Volunteer Firefighter Pension Trust (formerly Castlewood Fire)**

The Volunteer Pension Trust and Plan was established June 1, 1983 to provide retirement, disability, death and severance benefits to volunteer fire fighters of the Castlewood Fire Protection District. The volunteer fire department of the District was dissolved on April 19, 1979. Accordingly, there are presently no active volunteer firefighters. There are no retirees left receiving benefits and the plan is in process of being closed. The value of the Volunteer plan at December 31, 2020 is \$264. This plan was terminated in March 2021.

There are no separate audited financial statements for this plan.

8) **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 3% for the Deferred Compensation Plan. The first 1% is contributed on the date of hire and requires no match. In the 5th year of service, an employee may receive total of 2% but the employee must contribute 1% to the Deferred Compensation Plan. In the 10th year of service, an employee may receive total of 3% 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, 2020 District contributed and recognized as expense \$1,735,462. Employees are 100% vested upon date of hire, therefore, there were no forfeitures returned to the plan during 2020.

Retiree Health Savings Plan

The District has a Retiree Health Savings Plan that has investment management services performed by Voya Financial and it is administrated by Genesis. Employees are automatically enrolled in the plan upon hire. A contribution of 1% of eligible salary is contributed by the District upon hire. The District has no further obligation for post-employment health care beyond the contribution to this plan.

NOTE 15 - 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 16 – 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.

General

At the time these financial statements were issued, the world economy was responding to the novel COVID-19 pandemic. This pandemic is anticipated to negatively affect the U.S. economy during 2021. Management is unable to reasonably estimate the amount or scope of the impact that this could have on its financial position. No accruals or adjustments are reflected in the current financial statements to account for the potential impacts of the pandemic.

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, 2020**

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property taxes	\$ 11,404,893	\$ 13,192,531	\$ (849,362)
Specific ownership taxes	9,693,567	8,965,534	(788,078)
Excise taxes	—	347,056	347,056
Charges for service - transports	1,04,450	9,695,503	(-,469,1-0)
Charges for service - plan review fees	3,458,400	1,868,045	(690,355)
Contracted services	312,120	312,120	—
Maintenance materials & supplemental fuel	4,690,680	5,543,184	852,504
Dispatch fees	115,769	115,770	1
Reimbursements	1,122,632	2,037,085	914,453
Net investment earnings	1,230,000	1,209,918	(20,082)
Rental income	175,112	180,249	5,137
Miscellaneous revenue	680,259	1,138,445	488,186
Total revenues	43,694,877	44,485,240	(,769,637)
EXPENDITURES			
Public safety			
Administration	20,389,050	18,396,292	1,992,758
Field operations	90,469,670	93,579,231	(3,109,561)
Training	4,177,622	3,650,775	826,847
Fire Marshal	3,098,321	3,076,745	21,576
Dispatch	4,266,508	3,695,996	1,170,512
Fleet maintenance	3,865,869	3,811,618	54,251
Wellness	3,857,789	3,827,884	72,905
Facilities maintenance	2,902,102	1,987,695	914,407
Capital outlay	547,055	396,122	150,933
Total expenditures	115,913,966	133,819,359	2,094,607
Excess of revenues over (under) expenditures	9,780,911	6,665,881	884,970
OTHER FINANCING SOURCES (USES)			
Transfers to other funds	(11,713,229)	(7,747,598)	3,965,631
Sale of capital assets	155,000	133,988	(21,012)
Total other financing sources (uses)	(11,558,229)	(7,613,610)	3,944,819
Net change in fund balances	(,777,318)	3,052,271	4,829,789
Fund balances - beginning of year	5,887,499	51,287,693	(599,806)
Fund balances - end of year	\$ 50,110,181	\$ 54,340,164	\$ 4,229,983

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

**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, 2020**

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUE			
Property taxes	\$ 268,252	\$ 265,190	\$ (3,062)
Specific ownership taxes	22,801	19,010	(3,791)
Net investment earnings	5,000	5,637	637
Total revenue	<u>296,053</u>	<u>289,837</u>	<u>(6,216)</u>
EXPENDITURES			
Administration	4,024	3,985	39
Contribution to pension plan	216,735	216,735	—
Other	3,241	—	3,241
Total expenditures	<u>224,000</u>	<u>220,720</u>	<u>3,280</u>
Excess of revenue over expenditures	72,053	69,117	(2,936)
Fund balances - beginning of year	<u>620,354</u>	<u>620,354</u>	<u>—</u>
Fund balance - end of year	<u>\$ 692,407</u>	<u>\$ 689,471</u>	<u>\$ (2,936)</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
Total Pension Liability						
Service Cost	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Interest on Total Pension Liability	18,963	18,316	16,295	15,555	13,700	11,835
Difference between Expected and Actual Experience	20,307	—	(14,615)	—	24,121	—
Changes of Assumptions	—	—	30,490	—	17,714	—
Benefit Payments	(77,243)	(77,742)	(73,559)	(70,308)	(70,308)	(69,265)
Net Change in Pension Liability	\$ (19,909)	\$ (29,396)	\$ (1,449)	\$ (24,852)	\$ 15,227	\$ (27,380)
Total Pension Liability - Beginning	690,750	662,781	653,385	671,935	617,184	632,411
Total Pension Liability - Ending	\$ 682,781	\$ 653,385	\$ 641,936	\$ 617,184	\$ 632,411	\$ 605,031
Plan Fiduciary Net Position						
Employer Contributions	\$ 27,895	\$ 27,596	\$ 28,670	\$ 28,670	\$ —	\$ 61,238
Pension Plan Net Investment Income	26,156	6,604	17,007	41,017	1,128	33,879
Benefit Payments	(11,243)	(11,742)	(13,559)	(10,238)	(10,308)	(69,265)
Pension Plan Administrative Expense	(978)	(1,865)	(788)	(4,773)	(4,733)	(5,318)
Net Change in Fiduciary Net Position	\$ (24,770)	\$ (45,407)	\$ (28,670)	\$ (5,394)	\$ (73,913)	\$ 20,504
Plan Fiduciary Net Position - Beginning	413,291	389,331	343,924	315,254	309,860	235,947
Plan Fiduciary Net Position - Ending	\$ 389,331	\$ 313,924	\$ 315,254	\$ 309,860	\$ 235,947	\$ 256,451
Net Pension Liability/(Asset) Ending	\$ 293,450	\$ 309,461	\$ 326,682	\$ 307,324	\$ 396,464	\$ 348,580
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	57.02 %	52.64 %	49.11 %	50.21 %	37.31 %	42.39 %
Covered Employee Payroll	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

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
Total Pension Liability						
Service Cost	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Interest on Total Pension Liability	23,088	23,739	22,781	23,375	22,456	24,080
Benefit Changes	—	—	—	—	—	—
Difference between Expected and Actual Experience	21,632	—	5,285	—	46,692	—
Changes of Assumptions	—	—	13,561	—	1,763	—
Benefit Payments	(47,577)	(32,220)	(32,220)	(34,937)	(36,300)	(36,300)
Net Change in Pension Liability	\$ (2,857)	\$ (8,481)	\$ 9,208	\$ (1,562)	\$ 44,611	\$ (12,220)
Total Pension Liability - Beginning	331,202	328,345	319,564	328,772	377,248	361,849
Total Pension Liability - Ending	\$ 328,345	\$ 319,564	\$ 328,772	\$ 317,210	\$ 361,849	\$ 349,629
Plan Fiduciary Net Position						
Employer Contributions	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 4,140
Pension Plan Net Investment Earnings	24,758	4,357	14,253	42,320	573	36,827
Benefit Payments	(47,577)	(32,220)	(32,220)	(34,937)	(36,300)	(36,300)
Pension Plan Administrative Expense	(947)	(1,631)	(766)	(3,458)	(3,227)	(3,889)
Net Change in Fiduciary Net Position	\$ (23,760)	\$ (27,494)	\$ (16,733)	\$ 3,955	\$ (38,954)	\$ 778
Plan Fiduciary Net Position - Beginning	371,986	351,226	323,732	306,999	310,954	272,000
Plan Fiduciary Net Position - Ending	\$ 351,226	\$ 323,732	\$ 306,999	\$ 310,954	\$ 272,000	\$ 272,778
Net Pension Liability (Asset) Ending	\$ (22,881)	\$ (4,168)	\$ 21,773	\$ 6,284	\$ 89,849	\$ 76,851
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	106.97 %	101.30 %	93.38 %	98.02 %	75.17 %	78.02 %
Covered Employee Payroll	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

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
Total Pension Liability						
Service Cost	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Interest on Total Pension Liability	523,296	3,177,79	52,975	3,3762	51,152	308,634
Benefit Changes	—	—	—	—	—	—
Difference between Expected and Actual Experience	—	(151,067)	—	(2,929)	—	(353,791)
Assumption Changes	—	296,129	—	—	—	268,236
Benefit Payments	(404,573)	(402,436)	(396,933)	(385,824)	(397,541)	(377,681)
Net Change in Pension Liability	\$ (81,277)	\$ 59,908	\$ (71,958)	\$ (71,991)	\$ (80,389)	\$ (157,602)
Total Pension Liability - Beginning	4,569,247	4,427,570	4,487,878	4,412,520	4,340,925	4,260,540
Total Pension Liability - Ending	\$ 4,477,970	\$ 4,487,878	\$ 4,412,920	\$ 4,340,929	\$ 4,260,540	\$ 4,102,938
Plan Fiduciary Net Position						
Employer Contributions	\$ 20,921	\$ 201,921	\$ 20,921	\$ 2,410	\$ —	\$ 431,845
Employee Contributions	—	—	—	—	—	—
Pension Plan Net Investment Income	160,764	45,805	118,377	298,155	5,886	355,681
Benefit Payments	(404,573)	(402,436)	(396,933)	(385,824)	(397,541)	(377,681)
Pension Plan Administrative Expense	(6,875)	(3,687)	(5,643)	(2,568)	(5,157)	(3,070)
Net Change in Fiduciary Net Position	\$ (48,763)	\$ (58,397)	\$ (82,278)	\$ (123,875)	\$ (590,812)	\$ (308,775)
Plan Fiduciary Net Position - Beginning	2,500,186	2,451,423	2,293,026	2,210,718	2,331,521	1,975,809
Plan Fiduciary Net Position - Ending	\$ 2,451,423	\$ 2,293,026	\$ 2,210,748	\$ 2,337,621	\$ 1,943,809	\$ 2,249,587
Net Pension Liability/(Asset) Ending	\$ 1,976,547	\$ 2,194,852	\$ 2,202,172	\$ 2,003,308	\$ 2,316,731	\$ 1,853,351
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	55.36 %	51.09 %	50.10 %	53.78 %	45.62 %	54.83 %
Covered Employee Payroll	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

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,	<u>2017</u>	<u>2018</u>	<u>2019</u>
District's proportionate (percentage) of the collective net pension liability (asset)	0.871%	2.998%	2.781%
District's proportionate share of the collective pension liability (asset)	\$ 1,253,117	\$ 3,790,142	\$ (1,572,926)
Covered-employee payroll	\$ 5,126,225	\$ 5,954,853 *	\$ 18,688,319
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	24.45%	63.65%	-8.42%
Plan fiduciary net position as a percentage of the total pension liability	106.34%	95.20%	101.90%

*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,	<u>2018</u>	<u>2019</u>
District's proportionate (percentage) of the collective net pension liability (asset)	6.858% ^a	5.217% ^a
District's proportionate share of the collective pension liability (asset)	\$ (946,680)	\$ (1,015,894)
Covered-employee payroll	N/A * ^b	\$ 807,926
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A * ^b	-125.74% ^b
Plan fiduciary net position as a percentage of the total pension liability	123.46% ^b	130.06% ^b

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

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

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

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

FY Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
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	27,895	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
2012	24,628	24,628	—	N/A	N/A
2011	24,628	24,628	(933)	N/A	N/A

Note: 2013 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,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2020	\$ 11,311	\$ 11,311	\$ —	√A	√A
2019	2,070	2,070	—	√A	√A
2018	2,070	2,070	—	√A	√A
2017	—	—	—	√A	√A
2016	—	—	—	√A	√A
2015	—	—	—	√A	√A
2014	—	—	—	√A	√A
2013	—	—	—	√A	√A
2012	—	—	—	√A	√A
2011	—	—	—	√A	√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,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
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
2012	176,740	176,740	—	N/A	N/A
2011	176,740	176,740	—	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
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%

*Information earlier than 2018 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
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
2020	\$ 79,038	\$ 79,038	—	\$ 790,383	10.00%
2019	30,793	30,793	—	307,926	10.00%

*Information earlier than 2019 is available under 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 FIRE PROTECTION DISTRICT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 DECEMBER 31, 2020**

NOTE 1 – SCHEDULE OF CONTRIBUTIONS

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.

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, 2017 determine the contribution amounts for 2018 and 2019.

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open
Remaining Amortization Period	20 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.5%
Salary Increases	N/A
Investment Rate of Return	7.50%
Retirement Age	50% per Year of Eligibility Until 100% at Age 65
Mortality	Pre-Retirement: RP-2014 Mortality Table For Blue Collar Employees, projected with Scale BB, 55% Multiplier for Off-Duty Mortality. Post-Retirement: For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB.

SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2020
(Continued)

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, 2017, determines the contribution amounts for 2018 and 2019.

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open
Remaining Amortization Period	20 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.5%
Salary Increases	N/A
Investment Rate of Return	7.50%
Retirement Age	50% per year of eligibility until 100% at age 65
Mortality	Pre-Retirement: RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55% multiplier for off-duty mortality. Post-Retirement: For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB.

SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2020
(Continued)

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, 2018 determines the contribution amounts for 2019 and 2020.

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	2.50%
Salary Increases	N/A
Investment Rate of Return	7.50%
Retirement Age	Any remaining actives are assumed to retire immediately
Mortality	Post-Retirement: For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB. Disabled (pre-1980): RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% rate for females.

**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, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
REVENUE		
Property taxes	\$ 111,192,531	\$ -
Special ownership taxes	8,965,517	-
Fees/charges	347,056	-
Charges for service - ambulance	9,665,303	9,980,440
Charges for service - ambulance fees	1,868,045	2,535,506
Contracted services	3,217,20	9,062,002
Medicare/medicaid supplemental fee	5,543,784	2,545,340
Dispatch fees	175,770	166,494
Reimbursements	2,037,085	979,160
Net investment earnings	1,209,918	1,865,668
Miscellaneous revenue	23,859	850,001
Total revenue	<u>141,852,10</u>	<u>27,620,98</u>
EXPENDITURES		
Public Safety		
Administration	18,366,292	11,073,907
Equipment	93,579,231	55,080,203
Training	3,630,775	-
Preparedness	-	5,330,887
Fire Marshal	5,076,746	4,736,855
Dispatch	3,065,296	-
Metro Fire Mutual Service	-	10,090,697
Veh maintenance	3,811,618	3,759,296
Welfare	3,821,88	-
Facilities maintenance	2,987,595	2,011,801
Capital outlay	<u>386,227</u>	<u>190,559</u>
Total expenditures	<u>148,935,9</u>	<u>121,901,587</u>
Excess (deficiency) of revenue over expenditures	10,685,581	(94,142,189)
OTHER FINANCING SOURCES (USES)		
Transfers from other funds	-	104,050,530
Transfers to other funds	(7,747,398)	(2,376,217)
Sale of capital assets	<u>135,088</u>	<u>162,277</u>
Net change in fund balance	3,062,471	7,694,095
Fund balances - beginning of year	<u>51,287,603</u>	<u>43,593,595</u>
Fund balances - end of year	<u>\$ 54,340,064</u>	<u>\$ 51,287,693</u>

**SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
CHERRY HILLS PROPERTY TAX SPECIAL REVENUE FUND
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
REVENUE		
Property Taxes	\$ 265,190	\$ 246,092
Specific Ownership Tax	19,010	19,318
Net investment earnings	5,637	17,126
Total revenue	<u>289,837</u>	<u>282,536</u>
EXPENDITURES		
Administration	3,985	3,697
Pension contributions	216,735	216,735
Total expenditures	<u>220,720</u>	<u>220,432</u>
Excess (deficiency) of revenue over expenditures	69,117	62,104
Net change in fund balance	69,117	62,104
Fund balances - beginning of year	<u>620,354</u>	<u>558,250</u>
Fund balances - end of year	<u>\$ 689,471</u>	<u>\$ 620,354</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, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
REVENUE		
Net investment earnings	\$ 7,821	\$ 9,920
Reimbursements	—	205,000
Total revenue	<u>7,821</u>	<u>214,920</u>
EXPENDITURES		
Equipment capital outlay	88,457	73,701
Vehicle capital outlay	917,450	1,388,513
Buildings and grounds capital outlay	6,749,312	1,092,110
Total expenditures	<u>7,755,219</u>	<u>3,054,329</u>
Excess (deficiency) of revenue over expenditures	<u>(7,747,398)</u>	<u>(2,839,409)</u>
OTHER FINANCING SOURCES (USES)		
Transfers from other funds	<u>7,747,398</u>	<u>2,839,409</u>
Total other financing sources (uses)	<u>7,747,398</u>	<u>2,839,409</u>
Net change in fund balance	—	—
Fund balances - beginning of year, restated	<u>—</u>	<u>—</u>
Fund balances - end of year	\$ —	\$ —

**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, 2020**

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUE			
Net investment earnings	\$ 10,000	\$ 7,821	\$ (2,179)
Grants	297,621	-	(297,621)
Total revenue	307,621	7,821	(299,800)
EXPENDITURES			
Field operations	64,132	88,457	(24,325)
Capital outlay	11,956,718	7,666,762	4,289,956
Total expenditures	12,020,850	7,755,219	4,265,631
Excess (deficiency) of revenue over expenditures	(11,713,229)	(7,747,398)	4,565,431
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	11,713,229	7,747,398	(3,965,831)
Net change in fund balance	—	—	—
Fund balance - beginning of year	—	—	—
Fund balance - end of year	\$ —	\$ —	\$ —

**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, 2020**

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUE			
Rental Income	\$ 711,464	\$ 837,182	\$ 95,718
Investment income	30,000	34,095	4,095
Miscellaneous revenue	—	1,150	1,150
Total revenue	<u>771,464</u>	<u>872,427</u>	<u>100,963</u>
EXPENDITURES			
Fleet, buildings and grounds maintenance	757,000	606,424	150,576
Capital outlay	265,175	286,186	(21,011)
Total expenditures	<u>1,022,175</u>	<u>892,610</u>	<u>129,565</u>
Excess (deficiency) revenue over expenditures	(250,711)	(20,183)	230,528
Net change in fund balances	<u>(250,711)</u>	<u>(20,183)</u>	<u>230,528</u>
Funds available - beginning of year	<u>2,426,107</u>	<u>2,433,901</u>	<u>7,794</u>
Funds available - end of year	<u>\$ 2,175,396</u>	<u>\$ 2,413,718</u>	<u>\$ 238,322</u>
Reconciliation to GAAP basis			
Excess of revenue (under) expenditures		\$ (20,183)	
Capital purchases		284,065	
Depreciation		<u>(276,607)</u>	
Net income - GAAP basis		<u>\$ (12,725)</u>	
Funds available at December 31, 2020 are computed as follows:			
Funds available - end of year		\$ 2,413,718	
Net investment in capital assets		<u>5,994,538</u>	
		<u>\$ 8,408,256</u>	

STATISTICAL SECTION

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2021
Governmental activities				Revised				Revised	Revised	
Net invested in capital assets	\$10,211,775	\$7,851,488	\$7,980,429	\$8,892,870	\$0,510,492	\$8,888,577	\$9,846,811	\$5,253,561	\$8,111,948	\$6,995,270
Restricted	1,677,279	1,677,279	1,677,279	1,677,279	1,677,279	1,858,415	1,907,505	1,277,495	1,653,277	5,024,778
Unrestricted	48,757,219	39,645,368	45,390,257	46,813,523	41,728,011	33,885,278	31,335,743	31,827,255	55,502,205	53,126,770
Total governmental activities net position	\$68,646,273	\$49,174,135	\$54,047,965	\$57,383,972	\$42,915,782	\$44,632,070	\$43,089,059	\$38,358,311	\$65,267,430	\$65,146,818
Business-type activities										
Net invested in capital assets	\$8,713,840	\$7,438,201	\$7,264,343	\$7,833,403	\$7,080,071	\$6,760,740	\$8,623,230	\$6,303,231	\$8,981,180	\$8,994,138
Unrestricted	1,918,075	2,897,818	5,911,311	7,111,329	8,523,085	6,722,585	2,673,279	2,273,525	2,333,591	5,117,185
Total business-type activities net position	\$10,631,915	\$10,336,019	\$12,175,654	\$14,944,732	\$15,603,156	\$13,483,325	\$11,296,509	\$8,576,756	\$11,314,771	\$14,111,323
Primary government										
Net invested in capital assets	\$15,987,375	\$11,935,389	\$15,244,772	\$16,105,273	\$17,590,565	\$15,619,317	\$15,168,171	\$69,729,152	\$17,093,128	\$12,989,408
Restricted	1,677,229	1,677,229	1,677,229	1,677,229	1,677,229	1,858,415	1,907,505	1,277,495	1,653,277	5,024,778
Unrestricted	48,668,252	37,815,186	48,887,078	51,131,852	47,052,077	36,408,861	37,060,892	37,095,578	58,912,005	55,812,488
Total primary government net position	\$66,332,856	\$51,427,804	\$65,808,879	\$68,914,354	\$66,314,871	\$53,886,593	\$54,136,568	\$108,098,225	\$77,658,409	\$73,826,674

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

Expense	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2021
Governmental activities				Total						
Field operations	\$ 32,000,000	\$ 32,250,000	\$ 33,500,000	\$ 33,114,000	\$ 33,000,000	\$ 32,700,000	\$ 32,900,000	\$ 33,000,000	\$ 32,700,000	\$ 32,500,000
Administration	-	-	-	-	4,100,000	4,100,000	4,200,000	4,300,000	4,400,000	-
Long-term maintenance	100,000	-	-	-	-	-	-	-	-	-
Other services	-	1,000,000	5,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Support services	1,000,000	1,000,000	5,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Utilities	1,000,000	1,000,000	5,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Miscellaneous services	-	-	-	-	-	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Debt	-	-	-	-	-	-	-	-	-	1,000,000
Capital	-	-	-	-	-	-	-	-	-	1,000,000
Capital interest	100,000	100,000	100,000	-	-	-	-	-	-	1,000,000
Total governmental activities expense	\$ 34,100,000	\$ 34,350,000	\$ 38,500,000	\$ 34,114,000	\$ 38,100,000	\$ 37,700,000	\$ 37,900,000	\$ 38,000,000	\$ 37,700,000	\$ 37,500,000
Business-type activities										
Field operations	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Administration	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total business-type activities expense	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Total primary government expense	\$ 36,100,000	\$ 36,350,000	\$ 40,500,000	\$ 36,114,000	\$ 40,100,000	\$ 39,700,000	\$ 39,900,000	\$ 40,000,000	\$ 39,700,000	\$ 39,500,000
Program Revenues										
Governmental activities	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Business-type activities	-	-	-	-	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	-
Long-term maintenance	100,000	-	-	-	-	-	-	-	-	-
Electricity	-	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Support services	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Fire Marshal	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Miscellaneous services	-	-	-	-	-	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Debt	-	-	-	-	-	-	-	-	-	1,000,000
Grants	-	-	-	-	-	-	-	-	-	1,000,000
Commodities received City of Lakeland	-	-	-	-	-	-	-	-	1,000,000	-
Total governmental services program revenues	\$ 2,100,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Business-type activities										
Field operations	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Administration	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Long-term maintenance	100,000	-	-	-	-	-	-	-	-	-
Electricity	-	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Support services	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Fire Marshal	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Miscellaneous services	-	-	-	-	-	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Debt	-	-	-	-	-	-	-	-	-	1,000,000
Grants	-	-	-	-	-	-	-	-	-	1,000,000
Commodities received City of Lakeland	-	-	-	-	-	-	-	-	1,000,000	-
Total business-type activities program revenues	\$ 4,100,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000
Net Disposition/Revenue										
Governmental activities	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Business-type activities	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total primary government net expense	\$ 34,100,000	\$ 34,350,000	\$ 38,500,000	\$ 34,114,000	\$ 38,100,000	\$ 37,700,000	\$ 37,900,000	\$ 38,000,000	\$ 37,700,000	\$ 37,500,000
General Revenues										
Governmental activities	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Property tax	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Special assessment	-	-	-	-	-	-	-	-	-	-
Licenses	-	-	-	-	-	-	-	-	-	-
Miscellaneous revenues	-	-	-	-	-	-	-	-	-	1,000,000
Commodities received	-	-	-	-	-	-	-	-	-	-
Intergovernmental	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Grants	-	-	-	-	-	-	-	-	-	1,000,000
Miscellaneous revenues	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Commodities received City of Lakeland	-	-	-	-	-	-	-	-	-	1,000,000
Interest	1,000,000	-	-	1,000,000	-	-	1,000,000	-	-	-
Total governmental activities general revenues	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000
Business-type activities										
Miscellaneous revenues	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Interest	-	-	-	1,000,000	-	-	1,000,000	-	-	-
Grants	-	-	1,000,000	-	-	-	-	-	-	-
Interest	1,000,000	-	-	1,000,000	-	-	1,000,000	-	-	-
Total business-type activities general revenues	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Total primary government net expense	\$ 32,100,000	\$ 32,350,000	\$ 35,500,000	\$ 32,114,000	\$ 36,100,000	\$ 35,700,000	\$ 35,900,000	\$ 36,000,000	\$ 35,700,000	\$ 35,500,000
Change in Net Position	\$ 1,900,000	\$ 2,000,000	\$ 2,500,000	\$ 1,886,000	\$ 2,000,000	\$ 1,950,000	\$ 2,100,000	\$ 2,000,000	\$ 1,900,000	\$ 1,900,000
Beginning net position	\$ 1,000,000	\$ 3,000,000	\$ 5,500,000	\$ 7,386,000	\$ 9,386,000	\$ 11,336,000	\$ 13,436,000	\$ 15,436,000	\$ 17,336,000	\$ 19,236,000
Total primary government net position	\$ 2,900,000	\$ 5,000,000	\$ 8,000,000	\$ 9,272,000	\$ 11,386,000	\$ 13,286,000	\$ 15,536,000	\$ 17,436,000	\$ 19,236,000	\$ 21,136,000

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund				Revenue					Residual	Residual
Non-spendable	\$ 672,803	\$ 285,797	\$ 227,902	\$ 259,979	\$ 248,545	\$ 1,427,568	\$ 2,996,772	\$ 2,525,564	\$ 3,278,634	\$ 3,695,831
Restricted	1,677,229	877,229	877,229	877,229	1,677,229	1,388,225	1,907,803	758,245	852,353	437,158
Unassigned	34,783,050	22,720,786	22,781,644	32,725,290	34,078,630	33,255,013	34,735,363	31,822,336	47,381,156	46,309,726
Total general fund	\$37,133,082	\$24,883,792	\$46,886,775	\$57,862,598	\$58,992,404	\$16,070,806	\$39,640,938	\$35,106,145	\$51,512,143	\$50,442,715
All Other Governmental Funds										
Non-spendable	—	713,684	—	—	—	—	—	—	—	—
Restricted - Cherry Hills Property Tax Fund	—	—	—	425,231	416,110	748,375	793,384	559,250	620,351	639,471
Assigned/committed:										
Capital project fund	10,609,278	16,308,047	18,982,276	18,986,708	17,437,339	5,051,715	307,165	—	—	—
Special revenue funds										
Deer Park Postmaster District Fund	152,793	149,554	149,949	149,945	149,945	—	—	—	—	—
SMFR Fund	152,793	149,554	149,949	149,945	150,008	—	—	150,000	—	—
CIP Fund	—	—	—	—	—	—	—	180,000	—	—
Total all other governmental funds	\$10,814,864	\$17,161,295	\$19,182,174	\$19,186,654	\$17,643,392	\$5,800,790	\$850,449	\$889,250	\$1,240,701	\$639,471

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues				Retained				Retained	Retained	
Property taxes	\$ 55,77,790	\$ 50,955,13	\$ 51,005,245	\$ 53,351,76	\$ 53,587,556	\$ 51,711,951	\$ 52,064,365	\$ 71,775,717	\$ 97,205,003	\$ 111,457,771
Specialty owner's expenses	3,513,371	3,697,551	3,964,237	4,137,424	4,484,184	4,542,980	5,261,97	6,205,665	6,665,297	8,974,517
Fees and rates	-	-	-	-	-	-	-	-	-	347,756
Net investment earnings	159,714	70,113	125,603	251,516	14,595	55,215	581,533	897,057	1,956,095	1,271,376
Changes in services - management	-	-	-	-	-	-	-	6,632,277	9,680,247	9,659,307
Changes in services - plan review	-	-	-	-	-	-	-	1,637,111	2,535,507	1,378,745
Contracted services	-	-	-	-	-	-	-	-	9,002,997	3,77,770
Medical sample handling	-	-	-	-	-	-	-	-	23,75,347	5,543,151
Disposal fees**	-	-	-	-	-	-	-	1,033,215	103,791	115,770
Deployment related materials**	-	-	-	-	-	-	-	1,032,333	1,184,431	2,037,555
Rental revenue	201,124	197,767	193,703	247,352	203,673	217,357	153,553	15,001	173,193	130,249
Gain (loss) on sale of assets	1,125	2,000	82,733	3,734,712	164,352	4,236	1,746	1,392,020	162,270	133,358
Other	1,24,659	2,807,607	3,801,525	3,251,425	2,655,108	3,126,270	3,990,907	1,035,448	683,163	1,335,445
Total Revenues	62,895,512	57,967,225	59,175,199	65,025,729	59,522,308	62,225,949	65,915,284	91,384,611	114,091,110	144,915,586
Expenditures										
Personality										
Administration	4,116,882	4,543,970	4,717,135	4,954,113	6,150,266	5,337,346	7,571,454	4,522,631	12,533,157	8,400,277
Field operations	35,267,483	37,647,188	38,044,547	40,213,114	37,372,243	38,750,118	41,677,155	61,012,747	85,777,644	93,887,427
Training	-	-	-	-	4,250,316	17,4,740	4,937,445	4,959,900	5,517,581	3,650,775
Fire Marshal	7,711,370	1,004,072	1,079,077	1,135,136	2,484,518	2,698,574	2,885,075	1,151,295	4,710,358	5,077,716
Technology	1,590,590	1,673,351	1,694,270	2,192,347	3,169,105	3,293,759	5,735,745	5,313,131	10,087,697	-
Dispatch	-	-	-	-	-	-	-	-	-	1,054,496
Health maintenance	1,567,617	2,217,137	2,593,930	2,437,747	2,484,845	2,611,570	2,244,781	2,935,745	1,759,297	1,311,715
Welfare	-	-	-	-	-	-	-	-	-	3,371,857
Employee retirement	1,708,552	3,365,374	1,795,487	1,393,227	1,550,574	1,659,355	1,697,000	1,771,050	3,011,321	1,957,655
Other Services										
Professional	571,135	4,033,731	35,305	16,093	-	-	-	-	-	-
Liases	237,237	190,200	3,344	1,385	-	-	-	-	-	-
Capital outlay	447,419	820,152	1,733,403	4,116,028	6,213,541	17,64,767	3,575,244	2,230,066	3,101,165	5,062,554
Total expenditures	49,800,56	61,721,245	61,255,335	69,338,52	66,841,891	70,001,187	72,211,915	102,251,172	125,634,9	141,752,295
Excess of revenues over capital expenditures	\$ 13,094,956	\$ (3,754,020)	\$ (2,079,136)	\$ (4,312,807)	\$ (7,319,583)	\$ (7,775,238)	\$ (6,296,631)	\$ (9,866,561)	\$ (11,543,780)	\$ 3,163,291
Other Financing Sources (Uses)										
Interest from other funds	60,77,457	67,42,954	66,223,710	58,235,777	55,142,955	1,115,577	6,107,936	83,797,752	1,06,189,970	7,701,358
Interest (to) other funds	(6,158,873)	(67,42,954)	(66,223,710)	(58,667,183)	(55,142,955)	(1,115,577)	-	(83,797,752)	(1,06,189,970)	(7,701,358)
Total other financing sources (uses)	(587,416)	-	-	(180,406)	-	1,013,800	6,107,936	-	-	-
Net change in fund balances	\$ 11,711,134	\$ (3,754,020)	\$ (2,079,136)	\$ (4,312,807)	\$ (7,319,583)	\$ (6,761,438)	\$ (2,188,695)	\$ (9,866,561)	\$ (11,543,780)	\$ 3,163,291
Debt service as a percentage of non capital expenditures	2.5 %	3.1 %	2.2 %	2.1 %	2.7 %	2.8 %	2.6 %	2.6 %	2.6 %	2.9 %

*Starting in 2018, ambulance and other revenue is included with the General fund revenues.

** In fiscal 2018, these revenues were included with Other Governmental fund revenues.

**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
2011	\$ 25,617,290	\$ 3,618,371	\$ 29,235,661
2012	50,955,181	3,697,554	54,652,735
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

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
2011	4,327,704,590	376,577,570	34,906,657,178	1,126,103,040	9.25	12.97 %	7.96 %
2012	4,323,118,690	342,813,740	34,830,358,981	1,182,105,378	9.25	12.96 %	7.96 %
2013	4,367,442,544	377,636,430	35,498,753,463	1,302,186,194	9.25	12.89 %	7.96 %
2014	4,492,261,704	432,556,019	35,928,957,116	1,491,624,062	9.25	13.16 %	7.96 %
2015*	4,850,713,775	547,797,118	40,930,196,129	1,886,348,738	9.25	12.60 %	7.96 %
2016	5,663,707,617	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	609,616,295	61,769,391,048	2,102,342,901	9.25	11.32 %	7.96 %
2019	9,333,539,324	791,205,973	97,289,094,814	2,727,335,684	9.25	10.62 %	7.15 %
2020	12,050,289,207	896,312,573	120,934,573,597	3,091,455,902	9.25	10.44 %	7.15 %

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

Source: Arapahoe, Douglas, etc. 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)

Government	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Cummingham Fire Protection District	—	—	—	—	—	—	—	14.6030	14.6000	9.2500
Parker Fire Protection District	13.978	13.978	13.978	13.978	13.978	—	—	—	—	—
South Metro Fire Rescue	9.2500	9.2500	9.2500	9.2500	9.2500	9.2500	9.2500	9.2500	9.2500	9.2500
Cities and Towns										
City of America	7.6550	10.2500	7.0290	8.8850	8.5600	8.6050	8.6050	8.6050	8.6050	5.0760
City of Centerville	5.1200	5.1290	5.0750	5.0150	5.0300	5.0260	2.0570	5.0030	5.0020	5.0330
City of Landon	6.6620	6.6620	6.5520	6.6620	6.6620	6.6520	6.6620	6.6620	6.6620	2.0000
Town of Fortsie	23.2380	20.4000	20.4000	20.4000	20.4000	20.4000	20.4000	4.9820	4.9820	4.9820
Town of Parker	2.6020	2.6020	2.6020	2.6020	2.6020	2.6020	2.6020	2.6020	2.6020	2.6020
Counties										
Arapahoe County	27.1300	17.2500	27.1300	26.9500	17.8500	21.0390	17.0390	13.3010	11.6850	12.0130
Douglas County	9.7740	19.7740	9.7740	9.7740	19.7740	18.7740	24.2740	24.2740	23.7740	23.7740
Jefferson County	24.7460	25.9780	25.9780	25.9780	25.9780	26.9780	26.9780	26.9780	25.7390	25.3320
School Districts										
Cherry Creek School District #6	24.2670	28.0270	27.1920	26.7020	19.7030	23.2320	19.5370	9.9950	15.9970	19.7210
Douglas County School District	48.7880	48.7270	48.2770	48.2770	42.4390	42.4390	41.0640	44.9500	43.4400	43.5040
Lincoln Public School	57.5550	56.9350	56.9850	56.6010	55.4340	53.0500	53.0300	51.1660	56.9450	54.7400
Jefferson County 3-1 School District	48.2100	48.7200	50.8200	50.3700	50.1700	47.1900	45.9400	42.8780	49.4100	47.0700
Metropolitan Districts										
Centenary Crossing Metropolitan District #2	38.5000	38.5000	38.5000	38.5000	38.5000	35.0000	35.0000	38.5000	33.0000	33.0000
Clapart Metropolitan District	12.6250	15.1720	12.5400	13.5400	12.1500	12.1500	12.4500	14.6470	13.3570	15.0200
Cherry Creek South Metropolitan Districts #1-11	21.9140	21.9140	21.9140	—	—	—	12.5000	52.7750	40.5800	39.5880
Columbia Metropolitan District	8.1960	8.1960	8.1960	4.1950	5.7830	3.7810	5.7810	3.7800	3.0000	2.0000
Concord Metropolitan District	29.0000	29.0000	23.0000	23.0000	20.5000	16.5000	17.5000	11.0000	7.0000	7.0000
Copper Hill Metropolitan District No. 2	60.0000	64.0000	64.0000	64.0000	57.0000	57.0000	58.0160	57.1650	56.5690	30.8230
Cottonwood Metropolitan District	8.8000	8.8000	8.8000	8.8000	8.8000	8.8000	8.8000	8.8000	8.8000	8.8000
East Arapahoe Metropolitan District	9.7920	9.7920	9.7920	9.7920	9.7920	9.7920	9.7920	9.7920	9.7920	9.7920
Last Smoky Hill Metropolitan District #1	42.0000	24.0000	22.0000	47.0000	35.5000	31.0000	29.5000	29.5000	25.5000	25.5000
Last Smoky Hill Metropolitan District #2	16.5000	16.5000	16.5000	16.5000	16.5000	16.5000	16.5000	16.5000	16.5000	16.5000
Glendora Metropolitan District	25.0050	31.0000	31.0050	33.0050	35.0000	34.0000	27.5500	27.5500	27.5500	24.7500
Highlands Ranch Metropolitan District	19.7150	19.7150	19.7150	19.7150	19.7150	18.2050	18.2050	18.2050	11.2050	11.2050
Julesburg Metropolitan District	6.7200	6.6500	6.3500	6.6500	6.5000	6.7500	6.3500	6.2500	5.2500	5.2500
Lincoln Park Metropolitan District	50.0000	55.0000	59.0000	52.0000	49.5000	49.5000	49.5000	51.5000	51.7000	51.7210
Liverpool Metropolitan District	28.2790	31.9790	28.2790	28.2790	28.2790	28.2790	28.2790	28.2790	28.2790	28.2790
Meridian Metropolitan District	37.9900	44.0000	46.0000	49.0000	50.5500	50.6500	49.9010	49.5100	51.1800	49.5100
Parker Jordan Metropolitan District	23.0000	23.0000	21.5000	21.0000	20.6330	20.6330	19.3330	19.6330	19.6330	19.6300
Stonewall Village Metropolitan District	28.9320	27.8030	27.8030	27.8030	25.7380	25.7380	25.7380	25.7380	25.7380	28.7010
Fallglass Metropolitan District	56.0000	59.0000	50.4750	60.4750	54.0000	42.0000	44.0000	43.0000	35.0000	35.0000
Fallglass Metropolitan District - Bonds Only	33.0000	56.0000	57.4750	57.4750	52.0000	45.0000	42.0000	41.0000	33.0000	30.0000
Wilow Trace Metropolitan District	37.5000	37.5000	49.0000	45.0000	39.5000	39.5000	39.5000	39.5000	39.5000	39.5000
Other Special Districts										
Arapahoe County Recreation District	0.9190	0.9190	0.8830	0.8830	0.7740	0.7840	0.7840	0.7350	0.6690	0.6760
Arapahoe Library District	4.9810	4.9030	4.8610	4.7940	5.9160	5.9260	5.9260	5.8130	5.7990	5.8100
Arapahoe Park & Recreation District	3.0000	3.0000	3.0000	3.0000	6.8870	6.8870	6.5950	6.5350	5.1700	5.1400
Arapahoe Water & Wastewater District	22.1000	23.2500	23.2500	22.9500	19.3000	19.5000	18.2000	17.4000	12.5750	12.0000
Cottonwood Water & Sanitation District	27.0000	27.0000	27.0000	27.0000	25.0000	19.0000	16.0000	14.5000	14.0000	13.5000
Douglas County Library District	4.0370	4.0680	4.0290	4.0350	4.0350	4.0350	4.0360	4.0080	4.0230	4.0170
East Cherry Creek Valley Water & Sanitation District	4.9990	5.0140	5.0080	4.9870	4.2200	—	7.5230	7.6440	7.0750	7.3370
Julesburg Water & Sanitation District	7.3000	8.3500	7.8000	6.7500	6.1000	5.2300	7.7500	7.7500	7.7500	4.5000
Parker Water and Sanitation District	0.2140	0.2270	0.2270	0.2270	8.6520	8.6520	7.5000	9.2070	9.2070	8.4040
Urban Drainage and Flood Control District	0.5650	0.5990	0.6080	0.6320	0.5530	0.6110	0.5820	0.7260	0.9000	0.9000
Urban Drainage and Flood Control District - South Platte	0.0550	0.0580	0.0640	0.0650	0.0580	0.0610	0.0370	0.0640	0.0670	0.0600
Authorities										
Cherry Creek Basin Authority	0.5000	0.5000	0.5000	0.5000	0.4490	0.4730	0.4730	0.4790	0.4810	0.4780
Arapahoe County Law Enforcement Authority	4.9820	4.9820	4.9820	4.9820	4.9820	4.9820	4.9820	4.9820	4.9820	4.9820

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	2020			2011		
	Assessed Value	Rank	Per Cent of Total Assessed Value	Assessed Value	Rank	Per Cent of Total Assessed Value
Paré Meadows Mall	85,656,890	1	0.66%	\$ 62,174,660	1	1.18%
HCA/Healthco LLC	79,895,770	2	0.62%	49,852,090	2	0.94%
CSI Land Lease LLC	29,085,230	3	0.22%			
PorterCare Adventist Health System	28,406,320	4	0.22%	18,329,450	7	0.35%
Kaiser Foundation Hospitals	28,341,190	5	0.22%			
Plaza Drive Properties	21,692,120	6	0.17%			
Teachers Insurance and Annuity	20,604,480	7	0.16%			
VISA Technology & Operations LLC	19,870,130	8	0.15%			
Redwood ERC Lisleton LLC	14,780,400	9	0.11%			
Echostar Real Estate Corporation IV	13,271,250	10	0.10%			
Verizon Wireless				46,119,470	3	0.87%
Greenwood Property Corp				30,450,000	4	0.58%
Property Colorado OBU LLC				27,550,000	5	0.52%
Qwest Corp				22,931,700	6	0.43%
Legacy II Centennial LLC				16,955,000	8	0.32%
CSHV Denver Tech Center				15,080,000	9	0.29%
5251 DTC Parkway				14,530,020	10	0.27%
	\$ 341,523,780		2.63%	\$ 303,592,320		5.75%

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
2011	57,566,618	56,523,150	98.19 %	(905,860)	55,617,290	96.61 %	55,115	0.096 %
2012	52,133,804	51,397,244	98.59 %	(442,063)	50,955,181	97.74 %	141,779	0.272 %
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	51,947,348	51,898,770	99.91 %	(211,174)	51,687,596	99.50 %	125,705	0.242 %
2016	54,129,916	53,737,957	99.28 %	(13,654)	53,724,302	99.25 %	51,830	0.095 %
2017	54,235,662	54,128,981	99.80 %	(59,116)	54,069,865	99.69 %	335,942	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	99.53 %	657,420	0.674 %
2020	117,041,893	113,457,721	99.49 %	(121,646)	113,336,075	99.38 %	677,768	0.594 %

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			
2011	\$ —	\$ 284,129	\$ 3,887,000	\$ 2,093,000	\$ 6,264,129	\$ 32.16
2012	—	132,398	—	—	132,398	0.65
2013	—	46,093	—	—	46,093	0.23
2014	—	—	—	—	—	—
2015	—	—	—	—	—	—
2016	—	—	—	—	—	—
2017	—	—	—	—	—	—
2018	—	—	—	—	—	—
2019	—	—	—	—	—	—
2020	—	—	—	—	—	—

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, 2020**

	Net Debt Outstanding	Percentage Applicable to District*	Amount Applicable to District
DIRECT:			
South Metro Fire Rescue	—	100 %	—
OVERLAPPING:			
Aranahoe Park and Rec	\$ 2,650,000	50 %	\$ 1,325,000
Aspen Lake County Water and Wastewater PID	129,500,000	50 %	64,750,000
Cherry Creek Schools	514,280,000	85 %	437,138,000
Cherry Creek Vista Park & Rec District	13,227,000	50 %	6,613,500
Copperleaf Metropolitan District No. 2	29,400,000	35 %	10,290,000
Cottonwood Water and Sanitation	10,023,871	100 %	10,023,871
Country Homes Metro District	82,000	100 %	82,000
Douglas County School	419,585,000	50 %	209,792,500
Dove Valley Metropolitan District	40,625,000	100 %	40,625,000
Eagle Bend Metropolitan District	25,640,000	100 %	25,640,000
East Smoky Hill Metropolitan District No. 1	2,950,000	100 %	2,950,000
East Smoky Hill Metropolitan District No. 2	4,355,000	100 %	4,355,000
East Valley Metropolitan District	301,070	100 %	301,070
Estancia Metropolitan District	4,110,000	100 %	4,110,000
Fiddler's Business Improvement District	57,230,500	100 %	57,230,500
Hills at Cherry Creek Metro District	1,345,000	100 %	1,345,000
Inverness Metropolitan District	1,245,000	100 %	1,245,000
Inverness Water and Sanitation	6,445,788	100 %	6,445,788
Lincoln Park Metropolitan District	30,430,000	100 %	30,430,000
Littleton School District	416,751,196	5 %	20,837,560
Meridian Metropolitan District	85,354,000	100 %	85,354,000
North Meridian Metropolitan District	7,234,000	100 %	7,234,000
Paradise Metropolitan District	2,230,000	100 %	2,230,000
Parker Water & Sanitation District	207,846,541	100 %	207,846,541
Piney Creek Village Metropolitan District	4,960,000	14 %	694,400
Saddle Rock Metropolitan District	6,875,000	100 %	6,875,000
Saddle Rock South Metro Districts	12,230,000	100 %	12,230,000
South Meridian Metropolitan District	4,180,000	100 %	4,180,000
South Suburban Parks and Recreation District	39,235,000	20 %	7,847,000
Sundance Hill Metropolitan District	75,000	100 %	75,000
Southeast Public Improvement	2,385,000	100 %	2,385,000
Storegate Village Metropolitan District	46,535,000	100 %	46,535,000
Talgrass Metropolitan District	14,235,000	100 %	14,235,000
Tellus Reach Metropolitan Districts	45,849,366	25 %	11,462,342
Valley Club Pointe Metro District	2,250,000	100 %	2,250,000
Willow Trace Metropolitan District	7,590,000	100 %	7,590,000
Total Overlapping Debt	\$ 2,199,245,332		\$ 1,354,553,072
Total Direct & Overlapping Debt			\$ 1,354,553,072

(continued)

South Metro Fire Rescue Fire Protection District
Direct and Overlapping Governmental Activities Debt
As of December 31, 2020
(Continued)

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				
	2011	2012	2013	2014	2015
Total Assessed Value	\$ 5,280,486,537	\$ 4,771,417,729	\$ 4,723,283,371	\$ 4,920,392,972	\$ 4,977,618,704
Debt Limit - 50% of total assessed value (*)	2,640,243,269	2,355,707,365	2,361,641,686	2,460,196,486	2,485,809,352
Amount of debt applicable to debt limit	-	-	-	-	-
Less amount available for debt service	-	-	-	-	-
Net amount of debt applicable to debt limit	-	-	-	-	-
Legal debt margin	\$ 2,640,243,269	\$ 2,355,707,365	\$ 2,361,641,686	\$ 2,460,196,486	\$ 2,485,809,352

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

Source: Douglas, Ampalco, and Jefferson County Assessor's Offices and South Metro Fire Rescue Fire Protection District Finance Department

(*) 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
2011	292,513	\$ 56,623	33.6	N/A	63,111	6.10 %
2012	298,698	\$ 60,575	36.6	54.6 %	63,934	6.20 %
2013	306,232	\$ 62,493	36.6	51.6 %	66,000	5.60 %
2014	314,574	\$ 66,088	36.5	55.8 %	67,000	3.40 %
2015	321,961	\$ 67,576	38.5	61.0 %	66,702	2.70 %
2016	328,088	\$ 68,560	36.6	61.0 %	67,000	2.20 %
2017	335,668	\$ 71,208	36.0	57.5 %	68,000	2.50 %
2018	342,776	\$ 73,662	38.9	58.0 %	68,880	3.40 %
2019	362,354	\$ 78,455	39.8	58.4 %	67,591	2.00 %
2020	N/A	N/A	40.1	N/A	63,266	7.00 %

(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
2011	585,871	\$ 46,707	36.0	37.5 %	52,589	7.70 %
2012	596,343	\$ 48,431	36.0	38.3 %	53,272	7.20 %
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	792,971	\$ 67,477	37.1	42.8 %	55,839	2.30 %
2020	N/A	N/A	37.8	N/A	56,228	7.20 %

(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 School's Web Page, and U.S Census Bureau - Arapahoe County

**South Metro Fire Rescue Fire Protection District
Principal Employers
December 31, 2020**

	2020		2011	
	Employees	Rank	Employees	Rank
Comcast Corporation	5,230	1		
Charles Schwab	4,300	2		
HealthONE	4,010	3		
Charron Communications	3,500	4		
Centura Health Corporation	2,660	5		
DISIT Network	2,560	6	6,500	1
Empower Retirement	2,500	7		
CenturyLink	2,700	8		
Raytheon Company	2,810	9		
Kaiser Permanente	2,090	10		
Western Union Fintel Svcs Inc			3,200	2
TW Telecom LP			2,400	3
Great-West Financial			1,900	4
Fascore Institutional Services			1,541	5
CH2M Hill			1,500	6
Campus Middle School Unit			1,500	7
Richfield Hospitality Inc			1,000	8
Xanterra Holding Corp			1,000	9
Starz Entertainment			1,000	10
	<u>32,360</u>		<u>21,541</u>	

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	Full-time Equivalent Employees									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Field Operations	281.00	291.00	284.00	288.00	279.00	302.00	332.00	401.00	551.00	675.00
Administration	23.00	21.00	20.00	20.00	32.00	34.00	35.00	71.00	77.00	80.00
Community Safety Services	27.00	26.00	34.00	17.00	19.00	23.00	28.00	34.00	28.00	30.00
Fleet Services	12.00	11.00	.00	11.00	10.00	10.00	12.00	4.00	15.00	15.00
Ambulance *	19.00	20.00	20.00	19.00	19.00	22.00	-	-	-	-
Total FTE	362.00	369.00	358.00	355.00	359.00	396.75	407.00	520.00	769.00	800.00

Source: South Metro Fire Rescue Fire Protection District Finance Department

* Ambulance FTEs 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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Field Operations (in & out of district)										
Fire Calls	371	352	331	319	382	443	458	387	713	1,032
Emergency Medical Calls	8,729	10,131	10,457	11,322	11,458	11,552	12,139	16,375	27,810	26,620
Alarms	2,401	2,272	2,172	2,171	2,325	2,187	2,179	2,837	3,355	3,039
Others	4,257	4,239	4,514	4,873	4,765	4,751	4,442	2,324	3,079	2,915
Number of hours of firefighter training	20,261	45,311	58,910	56,914	65,664	80,035	52,472	51,545	104,236	115,378
Hours of officer trainings	3,731	8,750	8,911	7,143	7,222	5,770	5,961	2,405	16,595	29,011
Hours of driver/operator trainings	2,367	4,471	2,540	651	4,415	3,695	2,035	3,698	11,534	13,464
Support Services										
Square footage of building maintained	338,322	349,051	349,091	320,084	320,084	320,084	320,084	337,516	452,385	460,805
Life Safety Bureau & Preparedness										
Fire Investigations	305	267	231	301	285	330	310	474	600	185
Plan Reviews	3,527	3,662	4,400	4,872	4,877	3,517	4,189	5,579	6,215	5,650
Construction Inspections	-	4,973	5,703	7,038	5,772	3,799	5,268	6,502	6,185	5,662
Business Inspections	5,093	5,548	4,213	3,922	2,915	-	3,158	4,308	4,371	6,372
South Metro Safety Foundation Classes	83	91	101	97	91	122	165	165	287	84
Car search checks	417	397	522	536	269	365	326	309	432	422
Apartment Crow residential attended	35,348	25,143	-	26,270	-	-	-	-	-	-
Prevention staff community school students	-	11,524	13,236	20,857	-	-	9,547	37,748	44,641	12,116
Youth firefighter intervention	28	34	8	21	15	-	46	21	22	1
Plant Services										
Total number of warranty repairs	46	28	68	57	62	25	15	44	12	25
Total billable labor hours	12,926	10,393	9,698	9,575	8,574	8,813	9,865	9,939	11,185	8,216
Shop productivity rate	59.5%	80.3%	75.0%	77.0%	71.4%	83.5%	85.5%	84.56%	60.2%	98.1%
Total number of repairs	3,877	3,277	2,984	2,554	2,501	2,914	3,108	3,153	3,868	4,252
Ambulance										
EMS Transports (in District only)	6,173	6,552	7,089	7,347	7,730	8,225	7,350	9,748	18,590	17,792
% of Transports to Castle Rock Adventist	-	-	-	-	-	-	-	1.6%	0.57%	0.53%
% of Transports to Centennial Health	-	-	-	-	-	-	-	0.78%	0.77%	0.33%
% of Transports to Children's Hospital	-	-	-	-	-	-	-	1.26%	1.91%	1.36%
% of Transports to Hillman Hospital	15.34%	16.76%	15.93%	13.03%	10.42%	5.00%	3.05%	2.42%	30.48%	27.57%
% of Transports to Medical Center of Aurora	-	-	-	-	-	-	-	1.27%	5.96%	5.45%
% of Transports to Parker Adventist Hospital	29.18%	28.75%	27.23%	27.85%	30.86%	34.00%	36.61%	35.75%	17.56%	18.56%
% of Transports to Parker Adventist Hospital	1.46%	1.07%	1.38%	1.78%	1.70%	1.00%	1.05%	0.97%	0.59%	0.67%
% of Transports to Rose Medical Center	-	-	-	-	-	-	-	0.41%	0.32%	0.26%
% of Transports to Skyridge Medical Center	39.67%	39.25%	41.02%	43.42%	43.72%	47.00%	52.73%	40.53%	29.37%	27.79%
% of Transports to Southlands Medical	-	-	-	-	-	-	-	1.44%	0.65%	0.70%
% of transport to Swedish Medical Center	12.30%	11.10%	10.07%	9.21%	7.50%	7.00%	3.81%	3.51%	6.79%	6.27%
% of transport to UC Health	-	-	-	-	-	-	-	-	12.1%	8.69%
% of Transports to University Hospital	-	-	-	-	-	-	-	1.42%	0.21%	0.09%
% of Transports to All Others	-	-	-	-	-	-	-	0.90%	0.32%	0.38%
Collection Rate	57.81%	51.90%	50.91%	51.11%	55.73%	52.71%	51.99%	72.00%	76.00%	77.00%

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Field Operations										
Fire Stations	17	17	17	17	17	17	17	20	29	30
Communication towers	2	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
Pumpers	18	18	19	19	19	18	23	33	32	32
Tenders	5	5	6	6	6	6	6	8	6	6
Quints	2	2	2	1	1	1	-	-	-	-
Squirts	2	2	-	-	-	-	-	2	-	-
Aerials	5	5	6	5	5	7	7	9	9	9
ARFF vehicles	3	3	2	2	2	3	3	3	3	3
Chief Staff vehicles	15	15	15	15	15	15	16	20	66	22
BC Vehicles	6	6	6	6	6	9	8	14	13	13
Wildland vehicles	12	12	12	12	12	18	19	23	23	20
Hazmat vehicles	1	1	2	2	2	2	2	3	3	3
Utility vehicle	1	1	1	1	1	1	1	1	-	-
Snow Cat	1	1	1	1	1	1	1	1	1	1
Dive Unit	-	1	1	1	1	1	1	2	2	2
Heavy Rescue	2	2	2	1	1	3	2	7	4	4
Low Vehicles	2	2	2	2	2	2	2	2	1	1
Command vehicle	1	1	1	1	1	1	1	1	1	-
Plow/Ladder/Rescue truck	1	1	1	1	1	1	1	4	2	6
Trailers	5	5	5	15	15	15	20	27	28	27
Support Services										
Headquarters buildings	2	2	2	1	1	1	1	1	1	1
Pool vehicles	2	1	-	1	1	1	1	1	-	3
Chief Staff vehicles	5	5	5	5	5	5	20	22	19	20
Storage locations	2	2	2	1	1	1	2	2	2	2
Fire Marshal										
Pool vehicles	31	31	4	2	2	2	1	1	3	3
Assigned vehicles	-	-	21	22	22	22	22	25	25	27
Fleet Services										
Repair Shop	1	1	1	1	1	1	1	1	1	1
Repair vehicles	2	2	2	2	2	2	3	2	2	2
Parts vehicles	3	3	3	3	3	3	1	1	1	0
Pool vehicles	7	7	11	7	7	7	5	2	3	3
IMV Vehicle	1	1	1	1	1	1	1	3	0	0
Lift	1	1	2	2	2	2	1	9	13	13
Overhead crane	-	-	1	1	1	1	1	1	1	1
Ambulance										
Medic units	17	17	17	17	17	18	20	27	25	28
ARM vehicle	-	-	1	1	1	1	1	1	1	2

Source: South Metro Fire Rescue Fire Protection District various departments

Note: One station in development stages.

SINGLE AUDIT SECTION

**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
Denver, Colorado

We have audited, in accordance with 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 (Association) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements, and have issued our report thereon dated June 4, 2021. .

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Association's internal control over financial reporting (internal control) to determine the 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 Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Watson Coon Ryan, LLC

CENTENNIAL, COLORADO

June 4, 2021

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Management
South Metro Fire Rescue Fire Protection District
Greenwood Village, Colorado

Report on Compliance for each major federal program

We have audited South Metro Fire Rescue Fire Protection District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of South Metro Fire Rescue Fire Protection District's major federal programs for the year ended December 31, 2020. South Metro Fire Rescue Fire Protection District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of South Metro Fire Rescue Fire Protection District's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on each major federal program occurred. An audit includes examining, on a test basis, evidence about South Metro Fire Rescue Fire Protection District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of South Metro Fire Rescue Fire Protection District's compliance.

Opinion on Compliance for each major federal program

In our opinion, South Metro Fire Rescue Fire Protection District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control over Compliance

Management of South Metro Fire Rescue Fire Protection District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered South Metro Fire Rescue Fire Protection District's internal control over compliance with the types of requirements that could have a direct and material effect on its each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of South Metro Fire Rescue Fire Protection District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully,

Watson Coon Ryan, LLC

CENTENNIAL, COLORADO
June 4, 2021

South Metro Fire Rescue Fire Protection District
 Schedule of Expenditures of Federal Awards
 Year Ended December 31, 2020

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Provided to Subrecipients</u>	<u>Federal Expenditures</u>
DEPARTMENT OF THE TREASURY Passed through Colorado Department of Local Affairs, <i>Coronavirus Relief Fund</i>	21.019	-	500,000
DEPARTMENT OF HEALTH AND HUMAN SERVICES <i>Provider Relief Fund</i>	93.493	-	466,667
Total Expenditures of Federal Awards		<u>\$ -</u>	<u>\$ 966,667</u>

See notes to schedule of expenditures of federal awards

South Metro Fire Rescue Fire Protection District
Notes to Schedule of Expenditures of Federal Awards
December 31, 2020

1 BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of South Metro Cunningham Fire Rescue Authority under programs of the federal government for the year ending December 31, 2020. The information in the schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Expenditures in the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

3 NON-CASH ASSISTANCE, FEDERAL INSURANCE, LOANS, AND LOAN GUARANTEES:

South Metro Cunningham Fire Rescue Authority did not receive any federal non-cash assistance, insurance, loans, or loan guarantees.

4 INDIRECT COST RATE

South Metro/Cunningham Fire Rescue Authority has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

South Metro Fire Rescue Fire Protection District
 Schedule of Findings and Questioned Costs
 December 31, 2020

Section I - Summary of Audit Results

Financial Statements:

type of auditors' report issued on whether the financial statements and fees were prepared in accordance with GAAP? Unmodified

Internal control over financial reporting		
●	Material weakness(es) identified?	_____ yes <input checked="" type="checkbox"/> no
●	Significant deficiency(ies) identified that are not considered a material weakness?	_____ yes <input checked="" type="checkbox"/> none reported
Noncompliance material to financial statements noted?		yes <input checked="" type="checkbox"/> no

Federal Awards:

Internal control over major programs:		
●	Material weakness(es) identified?	_____ yes <input checked="" type="checkbox"/> no
●	Significant deficiency(ies) identified that are not considered a material weakness?	_____ yes <input checked="" type="checkbox"/> none reported
type of auditors' report issued on compliance for major programs: Unmodified		
Any such findings that are required to be reported in accordance with 2 CFR Part 200.516(e)?		
		_____ yes <input checked="" type="checkbox"/> no
Identify name of major program(s)		
<u>CFDA Number</u> 2019	<u>Name of Federal Program or Cluster</u> Coronavirus Relief Fund	
Dollar amount of cost transferred to or from type A and type B programs: \$750,000		
Auditee qualified as low-risk auditee?		_____ yes <input checked="" type="checkbox"/> no

Section II - Financial Statement Findings

There were no findings.

Section III - Federal Award Findings

There were no findings.