

Annual Comprehensive Financial Report

For the Fiscal Year Ended December 31, 2021



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**

**Annual Comprehensive Financial Report
For the Fiscal Year Ended
December 31, 2021**

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

SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021
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SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT



June 29, 2022

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

State law requires that all special districts with revenues in excess of \$750,000 file an annual report with the State Auditor within seven months of the close of their fiscal year. This annual report includes a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual report of South Metro Fire Rescue Fire Protection District for the fiscal year ended December 31, 2021.

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, 2021, 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, 2021, 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 Board of Directors. The District's Fire Chief has all powers and authorities provided for a fire chief under §32-1- 1002, C.R.S., and oversees and manages all business and affairs of the District including the operation, maintenance, management, administration, and provision of all facilities, improvements, equipment, services and personnel. The District's service area is located in Douglas, Arapahoe and Jefferson Counties, Colorado. The District was established to provide fire protection and emergency medical services.

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 District area includes 285 square miles and overlaps the cities of Bow Mar, Castle Pines, Castle Pines Village, Centennial, Cherry Hills Village, Columbine Valley, Foxfield, Greenwood Village, Highlands Ranch, Lakewood, Louviers, Littleton, Lone Tree, and Parker, as well as some unincorporated areas in Douglas, Arapahoe and Jefferson counties. It includes the business parks of Meridian and Inverness, the Denver Tech Center, Centennial Airport and Park Meadows Mall.

The District currently serves approximately 555,244 residents in Douglas, Arapahoe and Jefferson Counties and protects approximately 210,000 households. 47% of the District's population is in Douglas County with 47% in Arapahoe County and 6% in Jefferson County. The daytime population of the District is estimated to be 585,000.

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 of Directors. The Board of Directors is required to adopt a final budget no later than December 31 of each year. The District uses several funds to account for the activities involved in providing services to the public. The appropriation is at the total fund expenditure level.

Local economy

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.

Although the global economy is recovering from the shutdown caused by the COVID-19 pandemic, Colorado's local economy continues to recover quickly from the worst of the pandemic. Compared to prior year, the unemployment rate has steadily fallen, and the construction is starting to increase within the District's boundaries. Nevertheless, the anticipated recession holds some uncertainty for construction and housing values alike.

In 2021, the unemployment rate in Douglas County was 3.6%, Arapahoe County was 3.7%, and Jefferson County was 3.2%. This compares to 3.7% for the State of Colorado and 3.6% 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, as well as soaring real estate values across the Denver Metro area. The growth in assessed valuation over the last 5 years has averaged 19.8%. Assessed valuation in the 2021 budget year showed an increase of 1% over the prior year.

According to the most recent data, the per capita income for Douglas County was \$78,980, Arapahoe County was \$66,691, and Jefferson County was \$68,829. This is higher than the State of Colorado average of \$64,034 and the national average of \$58,865. The education level of the population in the area covered by the District is higher than the state and the national average with 61% having a college degree. The median home value is \$508,195.

Long-term financial planning and initiatives

Maintaining an adequate level of operating reserves is a prudent financial management practice. It is expected, however, that the District may need to use operating reserves from time to time. Operating reserves may be utilized at the discretion of the Board of Directors to:

- Provide temporary resources in the event of an economic downturn.
- Provide resources for expenditures in case of an unexpected event such as natural disaster or an accident.
- Provide resources for one-time capital outlay expenditures.

- Appropriate strategic expenditures as part of the District's long-term financial plan.

Operating reserves may be utilized at the discretion of the Chief Financial Officer to:

- Provide cash flow to pay budgeted expenditures when due and unassigned reserves are unavailable. This is common from November – March while the District waits to receive property tax collections.
- Provide cash flow to pay for expenditures related to major incidents.

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. 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. Call volume will be monitored to determine when new stations need to be constructed.

Budget process

The District's annual budget process begins with updating the 10-year long term financial plan which includes apparatus and equipment replacement, new construction, and station improvements. The long-term plan outlines District's goals and priorities which are guided by the Strategic Plan and serves as a foundation for developing the annual budget. The budget development process starts each summer and requires divisions to submit their expenditure requests along with justifications. The Finance Division and Executive Team reviews and prioritizes requests and Finance Division prepares the proposed budget. The budget is presented to the Board of Directors each year by October 15 as statutorily required. The Board is required to hold a public budget hearing and to adopt the final budget no later than December 31. The mill levy is certified to the County Commissioners no later than December 15. Any revisions to the budget appropriations must be approved through a resolution by the Board of Directors.

Relevant financial policies

The District has adopted a comprehensive set of financial policies. The District maintains a fund balance of 20% of budgeted general fund expenditures as an operating reserve. This estimate will be reevaluated periodically. Operating Reserves will be designated as committed fund balance on the District's financial reports.

An annual transfer from the General Fund to the Capital Projects Fund of \$15 million dollars is made each year for the purpose of funding current and 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, 2020. 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 unwavering support for maintaining the highest standards of professionalism in the management of District finances.

Respectfully submitted,



Bob Baker
Fire Chief



Dillon Miskimins
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

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

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

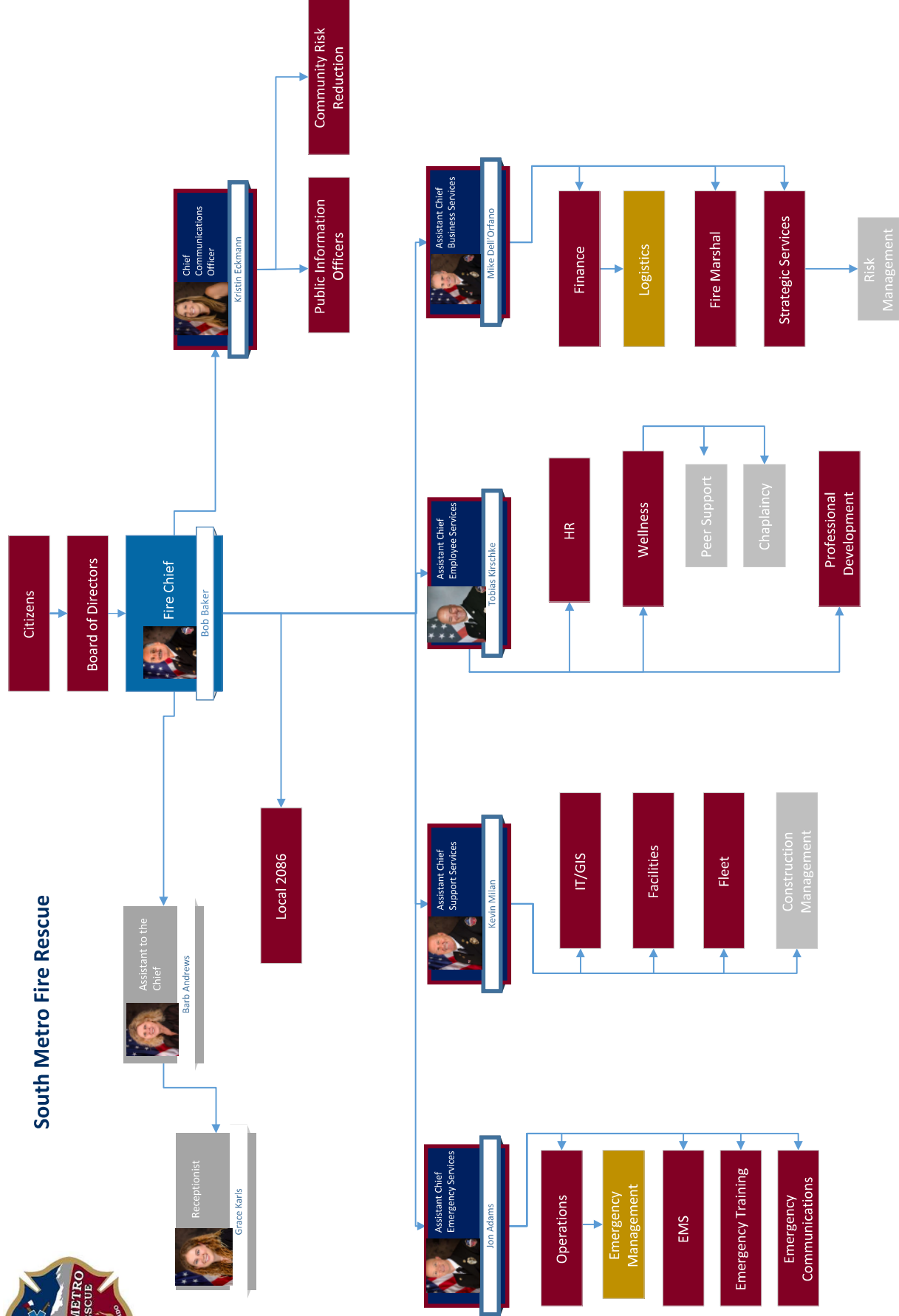
December 31, 2020

Christopher P. Morill

Executive Director/CEO



South Metro Fire Rescue



GOVERNANCE

As of December 31, 2021

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

Camie Chapman, Human Resources Director

Dillon Miskimins, Chief Financial Officer

Independent Auditor's Report

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

Opinions

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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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 South Metro Fire Rescue Fire Protection District, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of South Metro Fire Rescue Fire Protection District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about South Metro Fire Rescue Fire Protection District's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our

opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise South Metro Fire Rescue Fire Protection District's basic financial statements. The comparative fund financial statements and budgetary comparison information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The comparative fund financial statements, and budgetary comparison information as listed in the table of contents 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, and statistical are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Watson Coon Ryan, LLC

CENTENNIAL, COLORADO
JUNE 29, 2022

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, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 - 5 of this report.

Financial Highlights

- The total assets and deferred outflows of South Metro Fire Rescue exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$145,975,267. Of this amount \$57,035,180 may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$3,126,603. The increase is primarily related to an increase in property tax collections and other income.
- The District's total liabilities and deferred inflows of resources are \$152,670,420. This is \$19,026,522 or 14.24% increase from 2020, primarily due to increase in deferred property taxes and leases implementation.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$60,580,431.
- At the end of the current fiscal year, the District's operating reserve is \$31,501,896 or 20% of total budgeted 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 is reported as net position. Over time,

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

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

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include 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 22 - 23 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. 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 24 - 26 of this report.

Proprietary Funds. The District maintained two proprietary funds in 2021 which are the Building Rental Enterprise Fund and the Self-Insured Internal Service Fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses an enterprise fund to account for and capture rental income, common area maintenance costs and items that relate to the maintenance of the administrative building. The Self-Insured Internal Service Fund is created for the benefit of employees as it collects the medical premiums to pay medical claims of the insured, stop loss insurance and administration fees.

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

The basic proprietary fund financial statements can be found on pages 27 - 28 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 Custodial Fund (the Jefferson Arapahoe Communications Center (JACC) Fund). The JACC Fund has been closed in 2021, and the fund balance transferred to the General Fund and assigned for JACC projects. The District closed the SMFR Volunteer Firefighter Pension Trust plan in March 2021.

The basic fiduciary fund financial statement can be found on page 30 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31 - 72 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 74 - 93 of this report.

New GASB Pronouncements

The District implemented GASB Statement No. 87, Leases, during 2021 which increased the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities.

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 \$145,975,267 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.

Statement of Net Position

	Governmental Activities 2021	Business-Type Activities 2021	Total 2021	Governmental Activities 2020	Business-Type Activities 2020	Total 2020
Current and other assets	\$ 200,718,820	\$ 3,333,975	\$ 204,052,795	\$ 178,432,894	\$ 2,483,957	\$ 180,916,851
Capital assets, net	76,875,572	5,990,896	82,866,468	76,995,272	5,994,538	82,989,810
Total assets	277,594,392	9,324,871	286,919,263	255,428,166	8,478,495	263,906,661
Total deferred outflows of resources	11,726,424	—	11,726,424	12,585,901	—	12,585,901
Short-term liabilities outstanding	5,103,249	141,402	5,244,651	5,375,372	70,239	5,445,611
Other liabilities	11,708,616	—	11,708,616	10,065,479	—	10,065,479
Total liabilities	16,811,865	141,402	16,953,267	15,440,851	70,239	15,511,090
Total deferred inflows of resources	132,927,111	2,790,042	135,717,153	118,132,808	—	118,132,808
Net position:						
Net investments in capital assets	75,283,384	5,990,896	81,274,280	76,995,272	5,994,538	82,989,810
Restricted	6,073,619	—	6,073,619	5,024,028	—	5,024,028
Unrestricted	58,224,837	402,531	58,627,368	52,421,108	2,413,718	54,834,826
Total net position	\$ 139,581,840	\$ 6,393,427	\$ 145,975,267	\$ 134,440,408	\$ 8,408,256	\$ 142,848,664

At the end of the current fiscal year, the District is able to report a positive balance in all categories of net position, both for the government as a whole as well as for its business-type activities. The District's net position increased by \$3,126,603 during the current fiscal year. The increase is primarily related to an increase in property tax collections and other income.

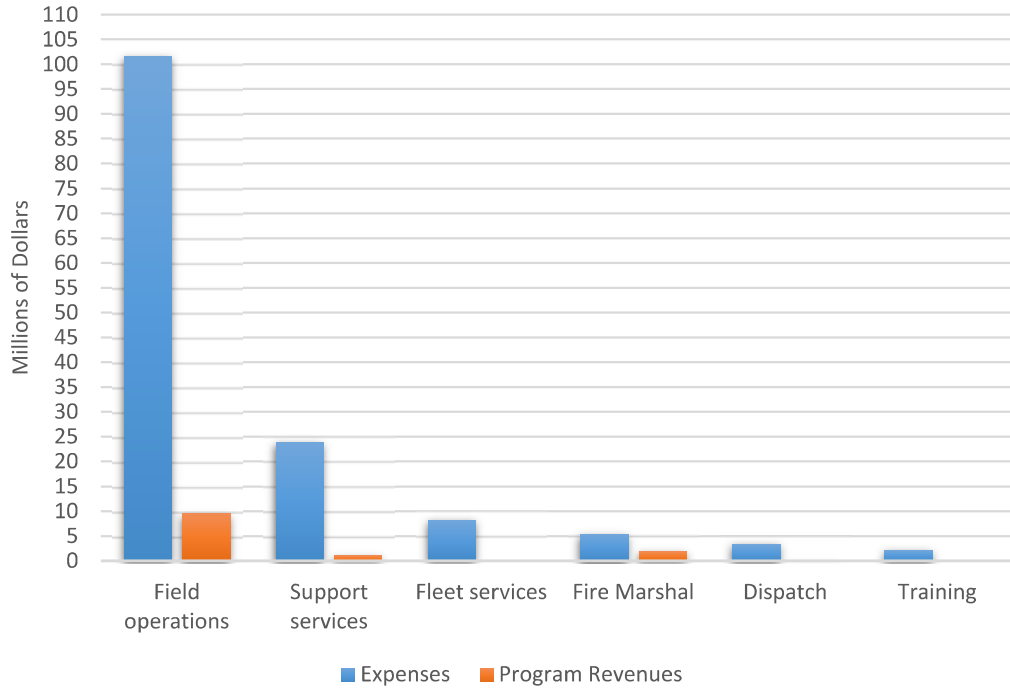
Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains the requirement of setting an emergency reserve. This reserve cannot be accessed except for during an unexpected disaster. This reserve amounts to \$4,377,298 as of December 31, 2021.

Governmental Activities. Governmental activities increased South Metro Fire Rescue Fire Protection District's net position by \$5,141,432. Key elements of this increase are as follows:

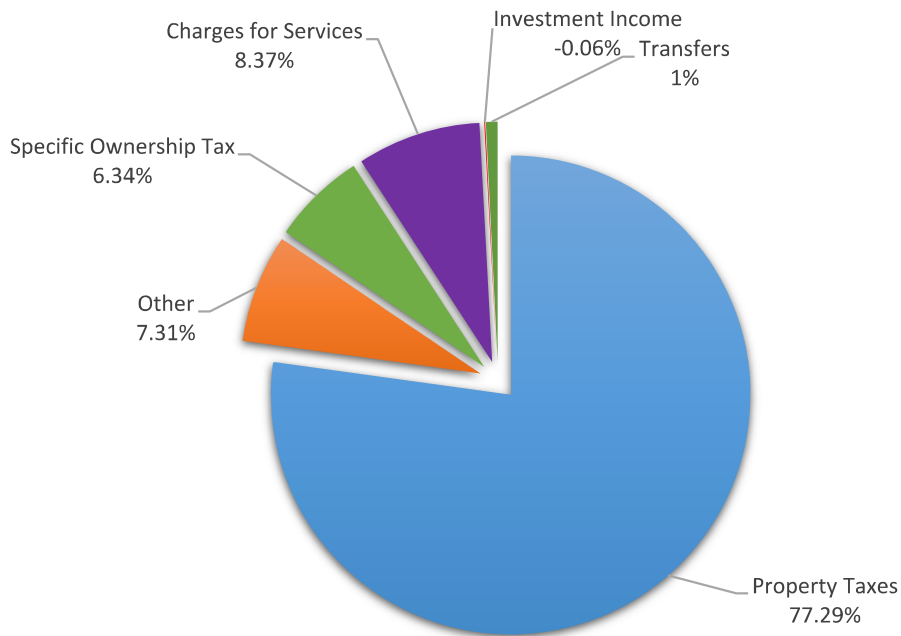
- Overall both expenses and revenues increased when compared to 2020. The revenue growth of \$2.7 million is associated with the increased property and specific ownership tax collections, charges for transports, and Medicaid supplement payment.
- An increase in overall expenses is related to market adjustments to current salaries, increases in benefit costs, and overtime related personnel storages.

South Metro Fire Rescue Fire Protection District						
Changes in Net Position						
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
	2021	2021	2021	2020	2020	2020
Revenues:						
Program revenues:						
Charges for services	\$ 12,434,136	\$ —	\$ 12,434,136	\$ 14,128,455	\$ 837,182	\$ 14,965,637
Operating Grants and Contributions	191,700	809,823	1,001,523	605,564	—	605,564
General revenues:						
Property and other taxes	124,287,044	—	124,287,044	122,382,265	—	122,382,265
Other income	10,579,644	99	10,579,743	7,687,543	35,245	7,722,788
Total revenues	147,492,524	809,922	148,302,446	144,803,827	872,427	145,676,254
Expenses:						
Field operations	101,426,388	—	101,426,388	104,286,977	—	104,286,977
Support services	23,722,075	—	23,722,075	19,502,588	—	19,502,588
Fleet services	7,690,979	—	7,690,979	5,007,425	—	5,007,425
Fire Marshal	5,328,172	—	5,328,172	5,143,336	—	5,143,336
Dispatch	3,307,622	—	3,307,622	3,159,531	—	3,159,531
Training	2,008,454	—	2,008,454	3,638,030	—	3,638,030
Rental building	—	824,751	824,751	—	885,152	885,152
Total expenses	143,483,690	824,751	144,308,441	140,737,887	885,152	141,623,039
Transfers in (out)	1,132,598	(2,000,000)	(867,402)	—	—	—
Increase (decrease) in net position	5,141,432	(2,014,829)	3,126,603	4,065,940	(12,725)	4,053,215
Net position-beginning	134,440,408	8,408,256	142,848,664	130,374,468	8,420,981	138,795,449
Net position-ending	\$ 139,581,840	\$ 6,393,427	\$ 145,975,267	\$ 134,440,408	\$ 8,408,256	\$ 142,848,664

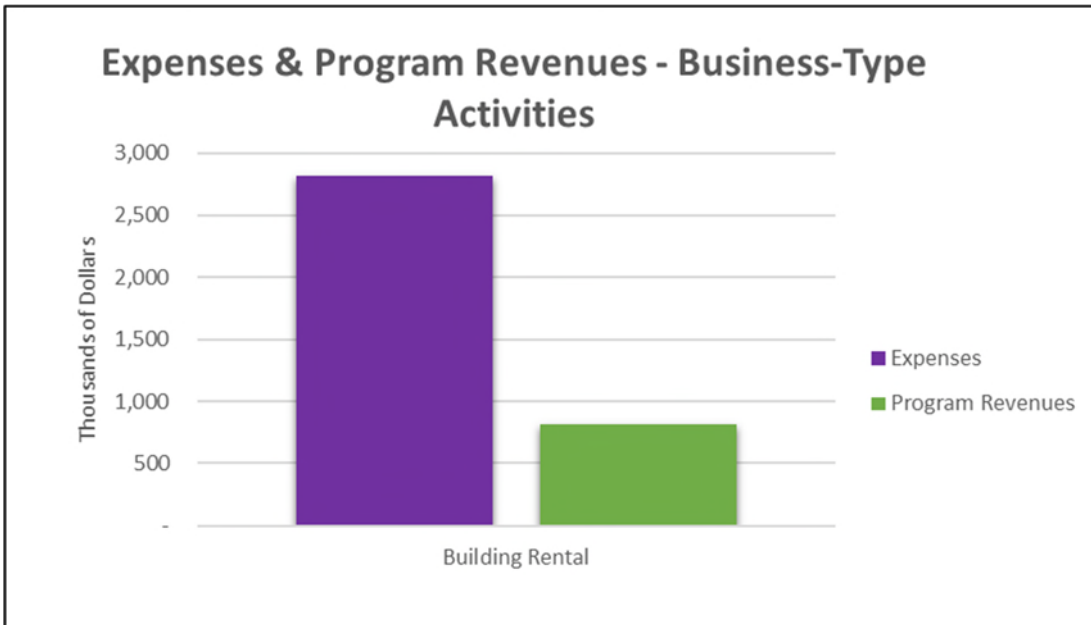
Expenses and Program Revenues - Governmental Activities



Revenues by Sources - Governmental Activities



Business-Type Activities. Business-type activities decreased the District’s net position by \$2,014,829, which was mostly related to the \$2 million transfer from the Building Rental Fund to the General Fund.



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 \$60,580,431, an increase of \$5,550,796 from the beginning of the year. This increase is largely due to the \$5.4 million purchase of new apparatus that has been recorded in prepaid account 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 TABOR emergency reserve of \$4,377,298 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 \$48,360,866 which represents 34.4% of total general fund expenditures.

The fund balance of the District’s general fund decreased by approximately \$6 million during the current fiscal year. This is primarily related to increased operating expenses and a \$15 million transfer to the Capital Projects Fund.

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

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 \$402,531, which decreased by approximately \$2 million from prior year primarily due to the \$2 million transfer to the General Fund.

The Self-Insured Internal Service Fund has a positive unrestricted net position balance of \$654,692, which increased by \$1,363,354 from prior year. The change is due to increased medical premiums and Cigna pharmacy rebate received in 2021 and the \$1 million transfer from the General Fund.

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, 2021 amounts to \$82,866,468 (net of accumulated depreciation). This investment in capital assets includes land, buildings, vehicles, and equipment. In 2021, Station 20 was completed and transferred from CIP to Buildings. Note 4 gives more details related to Capital Assets.

	South Metro Fire Rescue Fire Protection District's Capital Assets (Net of Depreciation)					
	Governmental Activities	Business Type Activities	Total	Governmental Activities	Business Type Activities	Total
	2021	2021	2021	2020	2020	2020
Land	\$ 7,367,556	\$ 2,598,566	\$ 9,966,122	\$ 7,547,556	\$ 2,598,566	\$ 10,146,122
Buildings	49,185,787	3,062,100	52,247,887	40,953,768	3,186,376	44,140,144
Vehicles	12,849,211	—	12,849,211	14,481,022	—	14,481,022
Equipment	5,886,832	330,230	6,217,062	6,500,350	209,596	6,709,946
Construction in Progress	—	—	—	7,512,576	—	7,512,576
Right to Use Assets	1,586,186	—	1,586,186	—	—	—
Total	\$ 76,875,572	\$ 5,990,896	\$ 82,866,468	\$ 76,995,272	\$ 5,994,538	\$ 82,989,810

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 increased during the current fiscal year by approximately \$1.1 million due to recording a lease liability per new GASB 87 pronouncements implemented in 2021. Because the District does not have long term financing needs at this time, financial policies related to long term debt are being evaluated and updated.

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

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

	Governmental Activities	Business Type Activities	Total	Governmental Activities	Business Type Activities	Total
	2021	2021	2021	2020	2020	2020
Compensated absences	\$ 7,285,058	\$ —	\$ 7,285,058	\$ 7,085,476	\$ —	\$ 7,085,476
Net pension liability	2,068,675	—	2,068,675	2,278,784	—	2,278,784
Lease liability	1,144,358	—	1,144,358	—	—	—
	<u>\$ 10,498,091</u>	<u>\$ —</u>	<u>\$ 10,498,091</u>	<u>\$ 9,364,260</u>	<u>\$ —</u>	<u>\$ 9,364,260</u>

Economic Factors and Next Year’s Budgets

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 the health and wellbeing of personnel.

The District continues to experience legislative initiatives that has the potential to negatively affect its property tax revenues. Such initiatives are consistently monitored and analyzed as part of the budget and planning processes.

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, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 45,926,367	\$ 501,686	\$ 46,428,053
Cash and investments - restricted	5,346,104	—	5,346,104
Receivables (net of allowance for uncollectable)	6,502,519	—	6,502,519
Interest receivable	82,077	—	82,077
Receivable - County Treasurer	126,008,116	—	126,008,116
Prepaid expense	7,901,695	5,387	7,907,082
Inventories	1,332,773	—	1,332,773
Lease receivable	666,193	2,826,902	3,493,095
Net pension asset	6,952,976	—	6,952,976
Capital assets, not being depreciated:			
Land	7,367,556	2,598,566	9,966,122
Capital assets (net of accumulated depreciation):			
Building	49,185,787	3,062,100	52,247,887
Vehicles	12,849,211	—	12,849,211
Equipment	5,886,832	330,230	6,217,062
Right to Use Assets, net of amortization	1,586,186	—	1,586,186
Total capital assets	76,875,572	5,990,896	82,866,468
Total assets	277,594,392	9,324,871	286,919,263
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	11,726,424	—	11,726,424
Total deferred outflows of resources	11,726,424	—	11,726,424
LIABILITIES			
Accounts and wages payables	5,103,249	141,402	5,244,651
Unearned revenue	37,595	—	37,595
Long-term liabilities:			
Due within one year			
Compensated absences	728,506	—	728,506
Medical IBNR liability	725,100	—	725,100
Lease liability	447,830	—	447,830
Due beyond one year			
Compensated absences	6,556,552	—	6,556,552
Net pension liability	2,068,675	—	2,068,675
Lease liability	1,144,358	—	1,144,358
Total liabilities	16,811,865	141,402	16,953,267
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax revenue	126,008,116	—	126,008,116
Deferred inflows related to leases, net of amortization	656,661	2,790,042	3,446,703
Deferred inflows related to pensions	6,262,334	—	6,262,334
Total deferred inflows of resources	132,927,111	2,790,042	135,717,153
NET POSITION			
Net investment in capital assets	75,283,384	5,990,896	81,274,280
Restricted:			
Emergency reserve (TABOR)	4,377,298	—	4,377,298
Pension funds	753,516	—	753,516
Excise tax revenue	942,805	—	942,805
Unrestricted	58,224,837	402,531	58,627,368
Total net position	\$ 139,581,840	\$ 6,393,427	\$ 145,975,267

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, 2021**

	<u>Program Revenues</u>			<u>Net (Expenses) Revenue & Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
FUNCTIONS/PROGRAMS						
Governmental activities						
Field operations	\$ (101,426,388)	\$ 9,530,530	\$ 191,700	\$ (91,704,158)	\$ —	\$ (91,704,158)
Support services	(23,722,075)	938,799	—	(22,783,276)	—	(22,783,276)
Fleet services	(7,690,979)	18,447	—	(7,672,532)	—	(7,672,532)
Fire Marshal	(5,328,172)	1,822,037	—	(3,506,135)	—	(3,506,135)
Dispatch	(3,307,622)	116,726	—	(3,190,896)	—	(3,190,896)
Training	(2,008,454)	7,597	—	(2,000,857)	—	(2,000,857)
Total governmental activities	(143,483,690)	12,434,136	191,700	(130,857,854)	—	(130,857,854)
Business-type activities:						
Building rental	(824,751)	—	809,823	—	(14,928)	(14,928)
Total business-type activities	(824,751)	—	809,823	—	(14,928)	(14,928)
Total government	\$ (144,308,441)	\$ 12,434,136	\$ 1,001,523	(130,857,854)	(14,928)	(130,872,782)
General revenues						
Property taxes				114,866,725	—	114,866,725
Specific ownership tax				9,420,319	—	9,420,319
Excise tax				577,988	—	577,988
Medicaid supplemental fee				6,191,645	—	6,191,645
Investment earnings				(93,890)	—	(93,890)
Miscellaneous income				3,555,003	99	3,555,102
Gain on sale of assets				348,898	—	348,898
Transfers in (out)				1,132,598	(2,000,000)	(867,402)
Total general revenues and transfers				135,999,286	(1,999,901)	133,999,385
Change in net position				5,141,432	(2,014,829)	3,126,603
Net position -beginning				134,440,408	8,408,256	142,848,664
Net position - ending				\$ 139,581,840	\$ 6,393,427	\$ 145,975,267

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

**SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	General Fund	Capital Projects Fund	Cherry Hills Property Tax Special Revenue Fund	Total Governmental Funds
ASSETS				
Cash and investments	\$ 37,948,160	\$ 6,020,948	\$ —	\$ 43,969,108
Cash and investments - restricted	4,377,298	—	968,806	5,346,104
Accounts receivable, net	6,280,064	215,083	1,445	6,496,592
Lease receivable	666,193	—	—	666,193
Interest receivable	82,077	—	—	82,077
Due from Cherry Hills Special Revenue Fund	216,735	—	—	216,735
Property taxes receivable	125,723,047	—	285,069	126,008,116
Prepaid items	2,435,363	5,466,332	—	7,901,695
Inventory	1,332,773	—	—	1,332,773
Total assets	<u>\$ 179,061,710</u>	<u>\$ 11,702,363</u>	<u>\$ 1,255,320</u>	<u>\$ 192,019,393</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued liabilities	\$ 1,499,488	\$ 236,314	\$ —	\$ 1,735,802
Accrued wages	2,784,053	—	—	2,784,053
Deferred revenue	37,595	—	—	37,595
Due to General Fund	—	—	216,735	216,735
Total liabilities	<u>4,321,136</u>	<u>236,314</u>	<u>216,735</u>	<u>4,774,185</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow related to leases	656,661	—	—	656,661
Unavailable property tax revenue	125,723,047	—	285,069	126,008,116
Total deferred inflows of resources	<u>126,379,708</u>	<u>—</u>	<u>285,069</u>	<u>126,664,777</u>
FUND BALANCES				
Non-spendable:				
Inventory	1,332,773	—	—	1,332,773
Prepaid items	2,435,363	5,466,332	—	7,901,695
Restricted:				
Emergency reserve	4,377,298	—	—	4,377,298
Pension funds	—	—	753,516	753,516
Excise tax revenue	—	942,805	—	942,805
Committed:				
Capital Projects Reserve	—	5,056,912	—	5,056,912
Operating Reserve (20%)	31,501,896	—	—	31,501,896
Assigned:				
JACC projects	132,598	—	—	132,598
Unassigned:				
	8,580,938	—	—	8,580,938
Total fund balance	<u>48,360,866</u>	<u>11,466,049</u>	<u>753,516</u>	<u>60,580,431</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 179,061,710</u>	<u>\$ 11,702,363</u>	<u>\$ 1,255,320</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				76,875,572
Long term liabilities, including compensated absences are not due and payable in the current period and therefore are not reported in these funds				(7,285,058)
Internal service fund assets and liabilities are reported as governmental-type activities in the statement of net position				654,692
Leases assets and liabilities are reported as governmental-type activities in the statement of net position				(1,592,188)
Pension related actuarial assumptions, differences between actual and expected experience and investment earnings				10,348,391
Net position of governmental activities				<u>\$ 139,581,840</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, 2021

	General Fund	Capital Projects Fund	Cherry Hills Property Tax Special Revenue Fund	Totals
REVENUES				
Property taxes	\$ 114,601,105	\$ —	\$ 265,620	\$ 114,866,725
Specific ownership taxes	9,401,888	—	18,431	9,420,319
Excise taxes	—	577,988	—	577,988
Net investment earnings	(95,251)	—	718	(94,533)
Charges for service - transports	11,691,509	—	—	11,691,509
Charges for service - plan review fees	1,822,037	—	—	1,822,037
Contracted services	318,362	—	—	318,362
Medicaid supplemental fee	6,191,645	—	—	6,191,645
Dispatch fees	116,726	—	—	116,726
Reimbursements	1,720,567	—	—	1,720,567
Lease rental income	209,527	—	—	209,527
Miscellaneous revenue	302,111	—	—	302,111
Total revenues	<u>146,280,226</u>	<u>577,988</u>	<u>284,769</u>	<u>147,142,983</u>
EXPENDITURES				
Public safety				
Administration	18,312,984	—	3,989	18,316,973
Field operations	98,725,921	100,992	216,735	99,043,648
Training	2,014,883	—	—	2,014,883
Fire Marshal	5,326,911	—	—	5,326,911
Dispatch	3,164,907	—	—	3,164,907
Fleet maintenance	4,245,869	—	—	4,245,869
Wellness	4,406,038	—	—	4,406,038
Facilities maintenance	2,347,727	7,300	—	2,355,027
Capital outlay	2,112,478	4,368,464	—	6,480,942
Total expenditures	<u>140,657,718</u>	<u>4,476,756</u>	<u>220,724</u>	<u>145,355,198</u>
Excess of Revenues Over (Under) Expenditures	<u>5,622,508</u>	<u>(3,898,768)</u>	<u>64,045</u>	<u>1,787,785</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	(16,364,817)	—	—	(16,364,817)
Transfers from other funds	2,132,598	15,364,817	—	17,497,415
Lease financing	2,041,002	—	—	2,041,002
Sale of capital assets	589,411	—	—	589,411
Total other financing sources (uses)	<u>(11,601,806)</u>	<u>15,364,817</u>	<u>—</u>	<u>3,763,011</u>
Net change in fund balances	(5,979,298)	11,466,049	64,045	5,550,796
Fund balances - beginning of year	54,340,164	—	689,471	55,029,635
Fund balances - end of year	<u>\$ 48,360,866</u>	<u>\$ 11,466,049</u>	<u>\$ 753,516</u>	<u>\$ 60,580,431</u>

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

**SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

Net change in fund balances - Total Governmental Funds	\$	5,550,796
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital asset additions (less removed assets)		5,665,621
Depreciation expense		(7,371,507)

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		(199,582)
Pension income (expense)		138,752

Internal service fund net revenue (expense) is included in the governmental activities.

1,363,354

Leases net revenue (expense)

(6,002)

Changes in net position of governmental activities

	\$	5,141,432
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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, 2021**

	Business Type Activities - Building Rental Fund	Governmental Activities - Self- Insured Internal Service Fund
ASSETS		
Current assets:		
Cash and investments	\$ 501,686	\$ 1,957,259
Receivables (net of allowance for uncollectable)	—	5,927
Lease receivable	2,826,902	—
Prepaid items	5,387	—
Total current assets	<u>3,333,975</u>	<u>1,963,186</u>
Capital assets:		
Land	2,598,566	—
Buildings	5,924,063	—
Equipment	364,704	—
Less accumulated depreciation	<u>(2,896,437)</u>	<u>—</u>
Total capital assets (net of accumulated depreciation)	<u>5,990,896</u>	<u>—</u>
Total assets	<u>9,324,871</u>	<u>1,963,186</u>
LIABILITIES		
Current liabilities:		
Accounts payable	141,402	583,394
Medical IBNR liability	—	725,100
Total current liabilities	<u>141,402</u>	<u>1,308,494</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to leases, net of amortization	<u>2,790,042</u>	<u>—</u>
Total deferred inflows of resources	2,790,042	—
NET POSITION		
Net investment in capital assets	5,990,896	—
Unrestricted	<u>402,531</u>	<u>654,692</u>
Total net position	<u>\$ 6,393,427</u>	<u>\$ 654,692</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, 2021**

	Business Type Activities - Building Rental Fund	Governmental Activities - Self-Insured Internal Service Fund
OPERATING REVENUES		
Charges for services	\$ —	\$ 13,268,758
Lease revenue	798,602	—
Lease interest income	11,221	—
Total operating revenues	<u>809,823</u>	<u>13,268,758</u>
OPERATING EXPENSES		
Building and grounds maintenance	522,466	—
Depreciation	302,285	—
Medical	—	13,477,219
Total operating expenses	<u>824,751</u>	<u>13,477,219</u>
Operating income (loss)	<u>(14,928)</u>	<u>(208,461)</u>
NONOPERATING INCOME		
Investment income	—	643
Miscellaneous	99	571,172
Transfer from General Fund	—	1,000,000
Total nonoperating income	<u>99</u>	<u>1,571,815</u>
TRANSFERS OUT		
Transfer to General Fund	(2,000,000)	—
Nonoperating income (loss)	<u>(1,999,901)</u>	<u>1,571,815</u>
Change in net position	(2,014,829)	1,363,354
Total net position - beginning of year	8,408,256	(708,662)
Total net position - end of year	<u>\$ 6,393,427</u>	<u>\$ 654,692</u>

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

**SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Business Type Activities - Building Rental Fund	Governmental Activities - Self-Insured Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 772,963	\$ —
Receipts from interfund services provided	—	13,268,758
Payments for interfund services provided	—	(13,836,710)
Payments to suppliers	(451,474)	—
Net cash provided by operating activities	321,489	(567,952)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital purchases	(298,643)	—
Net cash (used) by capital and related financing activities	(298,643)	—
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfer to General Fund	(2,000,000)	—
Transfer from General Fund	—	1,000,000
Miscellaneous	99	571,172
Net cash (used) by non-capital financing activities	(1,999,901)	1,571,172
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	—	643
Net cash provided by investing activities	—	643
Net increase in cash and deposits	(1,977,055)	1,003,863
Cash and deposits, January 1	2,478,741	953,396
Cash and deposits, December 31	\$ 501,686	\$ 1,957,259
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating loss	\$ (14,928)	\$ (208,461)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	302,285	—
Increase (decrease) in:		
Accounts receivable	(2,826,902)	10,915
Deferred inflows related to leases, net of amortization	2,790,042	—
Prepays	(171)	—
Increase (decrease) in:		
Accounts payable	71,163	(370,406)
Total adjustments	336,417	(359,491)
Net cash provided by operating activities	\$ 321,489	\$ (567,952)

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, 2021**

	<u>JACC Custodial Fund</u>	<u>Total Pension Trust Funds</u>
ADDITIONS		
Reimbursements	\$ 250,000	\$ —
Net investment income	—	1
Total additions	<u>250,000</u>	<u>1</u>
DEDUCTIONS		
Administrative expenses	229,280	—
Transfer to General Fund	132,597	264
Total deductions	<u>361,877</u>	<u>264</u>
Changes in net position	(111,877)	(263)
Net position - beginning	111,877	263
Net position - ending	<u>\$ —</u>	<u>\$ —</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, 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Definition of Reporting Entity

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

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

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

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

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

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. 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 interfund 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 FPPA annually. As part of the inclusion of the Cherry Hills Fire Protection District into South Metro Fire Rescue, the District was allowed to assess a mill levy to provide for the pensions of the employees of the Cherry Hills Fire Protection District who had already retired and belonged to this defined benefit pension plan. This mill levy can only be used for contributions to that pension plan. The mill levy may be decreased as the financial requirements of the plan decrease.

The District reports the following major proprietary funds:

Enterprise Fund:

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

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 Jefferson Arapahoe Communications Center (JACC) collects funding from Arapahoe County 911 Authority, and the funds are used for the operations of the JACC. This fund has been closed in 2021, and the fund balance transferred to the General Fund and assigned for JACC projects.

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 \$10,000.

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 13).

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. Deferred inflows related to leases is measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods. We also have deferred inflows related to pensions. For additional information refer to note 13 on page 50 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.

New GASB Pronouncements

In June 2017, GASB issued Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions

of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for the reporting periods beginning after June 15, 2021. The District implemented GASB Statement No. 87, Leases, in the year ending December 31, 2021.

NOTE 2 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2021 are classified in the accompanying financial statements as follow:

Statement of net position:

Cash and investments	\$ 46,428,053
Cash and investments - restricted	5,346,104
Total cash and investments	<u>\$ 51,774,157</u>

Cash and investments as of December 31, 2021 consist of the following:

Deposits with financial institutions	\$ 3,732,553
Investments	48,041,604
Total cash and investments	<u>\$ 51,774,157</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, 2021, 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, 2021, 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>
Colostrust	—	—	—	—	25,811,637	25,811,637
Chandler	—	8,267,858	—	7,751	—	8,275,609
PFM	—	13,954,358	—	—	—	13,954,358
Total	—	22,222,216	—	7,751	25,811,637	48,041,604

As of December 31, 2021, 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	\$ 4,483,376	2.04	
US Agencies	3,076,979	1.75	
Corporate Bonds	707,503	0.20	AA+/Aa1
Total Fair Value	<u>\$ 8,267,858</u>	1.45	AA+/Aaa

As of December 31, 2021, 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	\$ 5,612,723	2.45	
US Agencies	2,751,281	2.45	
Municipal Bonds	3,172,960	2.34	AA+/Aa1
Certificates of Deposit	226,530	0.89	AA-/Aa2
Supranational Bonds	2,050,341	2.90	AAA/Aaa
Corporate Notes	140,523	1.87	AA/Aa1
Total Fair Value	<u>\$ 13,954,358</u>	1.57	AA+/NR

Local Government Investment Pools – As of December 31, 2021, the District had funds invested in local government investment pools which are rated AAA.

- Colostrust: 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 band 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. Colotruster 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 (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). They operate similar to a money market fund with a share value equal to \$1.00.

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

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

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

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

NOTE 3 - RECEIVABLES

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

	General Fund	Capital Projects	Cherry Hills Special Revenue Fund	Self-Insured Internal Service Fund	Total Governmental Funds
Accounts, net	\$ 6,280,064	\$ 215,083	\$ 1,445	\$ 5,927	\$ 6,502,519
Lease	666,193	—	—	—	666,193
Taxes	125,723,047	—	285,069	—	126,008,116
Interest	82,077	—	—	—	82,077
Total Receivables	<u>\$ 132,751,381</u>	<u>\$ 215,083</u>	<u>\$ 286,514</u>	<u>\$ 5,927</u>	<u>\$ 133,258,905</u>

	Building Rental Fund	Total Business-Type Funds	Total All Funds
Accounts, net	\$ —	\$ —	\$ 6,502,519
Lease	2,826,902	2,826,902	3,493,095
Taxes	—	—	126,008,116
Interest	—	—	82,077
Total Receivables	<u>\$ 2,826,902</u>	<u>\$ 2,826,902</u>	<u>\$ 136,085,807</u>

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	\$ 125,723,047
Cherry Hills Property taxes receivable (Special Revenue Fund)	<u>285,069</u>
	<u>\$ 126,008,116</u>

NOTE 4 - CAPITAL ASSETS

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 7,547,556	\$ —	\$ 180,000	\$ 7,367,556
Construction in progress	7,512,576	—	7,512,576	—
Total capital assets, not being depreciated	15,060,132	—	7,692,576	7,367,556
Capital assets, being depreciated:				
Buildings	67,075,351	10,040,183	—	77,115,534
Vehicles	41,165,928	1,830,314	1,151,169	41,845,073
Equipment	13,494,360	1,548,213	—	15,042,573
Total capital assets, being depreciated	121,735,639	13,418,710	1,151,169	134,003,180
Less accumulated depreciation for:				
Buildings	(26,121,583)	(1,808,164)	—	(27,929,747)
Vehicles	(26,684,906)	(3,401,612)	(1,090,656)	(28,995,862)
Equipment	(6,994,010)	(2,161,731)	—	(9,155,741)
Total accumulated depreciation	(59,800,499)	(7,371,507)	(1,090,656)	(66,081,350)
Total capital assets, being depreciated, net	61,935,140	6,047,203	60,513	67,921,830
Governmental activities capital assets, net	76,995,272	6,047,203	7,753,089	75,289,386
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	5,776,602	147,461	—	5,924,063
Equipment	213,522	151,182	—	364,704
Total capital assets, being depreciated	5,990,124	298,643	—	6,288,767
Less accumulated depreciation for:				
Buildings	(2,590,226)	(271,737)	—	(2,861,963)
Equipment	(3,926)	(30,548)	—	(34,474)
Total accumulated depreciation	(2,594,152)	(302,285)	—	(2,896,437)
Total capital assets, being depreciated, net	3,395,972	(3,642)	—	3,392,330
Business-type activities capital assets, net	\$ 5,994,538	\$ (3,642)	\$ —	\$ 5,990,896

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

Governmental activities:

Field operations	\$ 1,141,267
Support services	2,631,178
Fleet services	3,460,298
Dispatch	122,351
Training	16,413
Total depreciation expense - governmental activities	<u>\$ 7,371,507</u>

Business-type activities:

Building Rental	\$ 302,285
Total depreciation expense - business-type activities	<u>\$ 302,285</u>

NOTE 5 - INTERFUND TRANSFERS AND BALANCES

The transfer from the General Fund to the Capital Projects fund is to cover capital expenditures. The closure of JACC fund resulted in the \$132,598 transfer to the General Fund. The \$2 million transfer from the Building Rental Fund to the General Fund is to cover increasing operating expenses. The \$1 million loan from the General Fund to the Self-Insured Medical Fund has been forgiven, and instead considered a transfer to fund the self-insurance program.

Transfers between funds during 2021 were as follows:

	Transfers In:			Total Transfers
	General Fund	Capital Projects Fund	Self-Insured Medical Fund	
Transfer Out:				
General Fund	\$ —	\$ 15,364,817	\$ 1,000,000	\$ 16,364,817
Building Rental Fund	2,000,000	—	—	—
JACC Fund	132,598	—	—	—
Total Transfers Out	<u>\$ 2,132,598</u>	<u>\$ 15,364,817</u>	<u>\$ 1,000,000</u>	<u>\$ 16,364,817</u>

Interfund receivable and payable balances arise due to short-term cash flow needs. At December 31, 2021, the balances are as follows:

Due to:	Due From:	
	General Fund	Cherry Hills Special Revenue Fund
General Fund	\$ —	\$ 216,735
Cherry Hills Special Revenue Fund	216,735	—
Total	\$ 216,735	\$ 216,735

NOTE 6 – LEASES

Lessee

The District leases copy machines, staff vehicles, and EMS power loads under annually cancelable operating leases. The total lease payments in 2021 were \$584,611, including \$448,813 in principal payments, \$6,611 in interest payments, and \$129,187 in other charges not included in lease liability.

Right to Use Leased Assets

Right-to-use asset activity for the year ended December 31, 2021, was as follows:

Leased Assets:	Balance	Additions	Deletions	Balance
	January 1, 2021			December 31, 2021
Vehicles	\$ 1,892,811	\$ -	\$ 34,800	\$ 1,858,011
Copiers	186,093	-	3,102	182,991
Total leased assets, being amortized	2,078,904	-	37,902	2,041,002
Less accumulated amortization:				
Vehicles	34,800	416,914	-	451,714
Copiers	3,102	-	-	3,102
Total accumulated amortization:	37,902	416,914	-	454,816
Total leased assets, net	\$ 2,041,002	\$ (416,914)	\$ 37,902	\$ 1,586,186

Lease Liabilities

The following is a summary of changes in lease liabilities of the District for the year ended December 31, 2021:

Leases	Balance January 1, 2021	Additions	Deletions	December 31, 2021	Due Within One Year
Vehicles	\$ 1,858,011	\$ -	\$ 414,964	\$ 1,443,047	\$ 410,746
Copiers	182,991	-	33,850	149,141	37,084
Total	\$ 2,041,002	\$ -	\$ 448,814	\$ 1,592,188	\$ 447,830

Future Lease Payments

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

Maturity Analysis	Principal	Interest	Total
01/01/2022 - 12/31/2022	447,830	4,988	452,819
01/01/2023 - 12/31/2023	442,958	3,389	446,348
01/01/2024 - 12/31/2024	420,158	1,822	421,980
01/01/2025 - 12/31/2025	278,073	416	278,489
01/01/2026 - 12/31/2026	3,168	3	3,171
Total	1,592,188	10,617	1,602,806
Lease Liability	1,592,188		

Lessor

The District leases space in five of its buildings and on its communication tower to four cell phone wireless companies. The communications tower has space leased to one neighboring fire district, a Communications District in a nearby county, and a school district for placement of antennas. In 2021, total receipts for renting this space was \$196,865.

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

	End Date	2022	2023	2024	2025	2026
GSA-3rd floor (ICE)	9/30/2022	\$ 83,595	\$ -	\$ -	\$ -	\$ -
GSA-3rd floor (FBI)	10/12/2027	437,037	487,540	487,540	487,540	487,540
		\$ 520,632	\$ 487,540	\$ 487,540	\$ 487,540	\$ 487,540

Future Lease Receipts for Business-Type Activities

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

Maturity Analysis	Revenue	Interest	Total
01/01/2022 - 12/31/2022	548,096	9,302	557,398
01/01/2023 - 12/31/2023	468,805	7,529	476,334
01/01/2024 - 12/31/2024	468,805	5,798	474,603
01/01/2025 - 12/31/2025	468,805	4,061	472,866
01/01/2026 - 12/31/2026	468,805	2,318	471,122
01/01/2027 - 12/31/2031	366,727	592	367,319
Total	2,826,902	29,599	2,819,641
Lease Receivable	2,826,902		

Future Lease Receipts for Governmental Activities

The future lease receipts for Governmental leases are expected to be as follows:

Maturity Analysis	Revenue	Interest	Total
01/01/2022 - 12/31/2022	211,822	2,051	213,873
01/01/2023 - 12/31/2023	194,975	1,306	196,280
01/01/2024 - 12/31/2024	134,305	678	134,983
01/01/2025 - 12/31/2025	105,647	231	105,878
01/01/2026 - 12/31/2026	19,444	6	9,918
Total	666,193	4,272	660,933
Lease Receivable	666,193		

NOTE 7 - GENERAL OBLIGATION DEBT

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

NOTE 8 - CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2021 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due within one year
Governmental Activities:					
Compensated Absences	\$ 7,085,476	\$ 1,336,156	\$ 1,136,575	\$ 7,285,058	\$ 728,506
Net pension liability	2,278,784	—	210,109	2,068,675	—
Long-Term Liabilities	<u>\$ 9,364,260</u>	<u>\$ 1,336,156</u>	<u>\$ 1,346,684</u>	<u>\$ 9,353,733</u>	<u>\$ 728,506</u>

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

NOTE 9 - TAX ABATEMENTS

In accordance with GASB Statement No. 77, the District has disclosed all agreements entered into with other entities that involve property tax abatements. It is important to note that the District has not directly entered into any abatement agreements. The terms of the agreements and payment amounts as of December 31, 2021 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 \$778,563 during the year ended December 31, 2021 as a result. The total TIF amounts are outlined below:

	Prior Years	2021
Total TIF	\$ 1,490,513	\$ 778,563

NOTE 10 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; or acts of God. The District is a member of the Colorado Special District Property and Liability Pool (Pool) as of December 31, 2021. 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 11 - RELATED PARTY TRANSACTIONS

South Metro Safety Foundation

The District provides services for South Metro Safety Foundation, which is a non-profit corporation 501(c)3, formed through a donation received in 1992. The Foundation provides community training in First Aid, CPR, Babysitting classes and Teen Driving among other things. Two members of the District Board sit on the Foundation Board, as well as, one employee.

Related party transactions

In 2021, six employees were paid a total of \$9,274 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 \$2,140 with two companies that were considered related parties of the District either because the district employee's family owned the company or the District employee worked for the company. The District feels these transactions are priced competitively and are accurately characterized as "arm's length" transactions.

NOTE 12 - 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, 2021, 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 13 – 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, 2021 the District contributed and recognized as expense \$6,774,078 and employees contributed a total of \$6,774,078.

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 \$75,942 were returned to the plan during 2021.

At December 31, 2021, there were 704 plan members with 565 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, 2021, December 31, 2020, December 31, 2019 and December 31, 2018 are as follows:

Voya 401(a) Plan

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Employees	\$6,774,078	\$6,596,661	\$5,488,538	\$4,783,454
District	\$6,774,078	\$6,596,661	\$5,488,538	\$4,783,454

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 (FPPA). 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 FPPA 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 (FPPA). 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 <http://www.fppaco.org>.

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, 2021 the District reported the following for the five plans:

	Net Pension Liability	Net Pension (Asset)	Pension Expense (Income)	Deferred Inflows	Deferred Outflows
Parker Fire Protection District Volunteer Plan	\$ 311,531	\$ —	\$ (31,989)	\$ 13,923	\$ 45,550
South Metro Fire Rescue Volunteer Plan	69,966	—	1,386	17,636	11,311
Cherry Hills Old Hire Plan	1,687,178	—	(121,315)	84,804	216,735
South Metro FPPA Plan - SWDB	—	(5,673,024)	97,356	5,849,575	10,210,053
South Metro FPPA Plan - SWH	—	(1,279,952)	(84,190)	296,396	1,242,775
Totals	<u>\$ 2,068,675</u>	<u>\$ (6,952,976)</u>	<u>\$ (138,752)</u>	<u>\$ 6,262,334</u>	<u>\$ 11,726,424</u>

The net pension liability was measured as of December 31, 2020 and the total pension liability was determined by an actuarial valuation of January 1, 2021 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, 2020. For the year ended December 31, 2021 the District recognized total pension income of \$138,752.

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
Cash	2.00 %	2.32 %
Fixed income - rates	10.00 %	4.01 %
Fixed income - credit	5.00 %	5.25 %
Absolute return	10.00 %	5.60 %
Long short	8.00 %	6.87 %
Global equity	39.00 %	8.23 %
Private markets	26.00 %	10.63 %
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	\$ 352,601	\$ 311,531	\$ 275,415
South Metro Volunteer	97,874	69,966	45,757
Cherry Hills Old Hire	2,015,461	1,687,179	1,400,188
South Metro FPPA Plan - SWDB - proportionate share	5,709,008	(5,673,024)	(15,098,767)
South Metro FPPA Plan - SWH - proportionate share	(882,140)	(1,279,952)	(1,609,932)

2) Parker Fire Protection District Volunteer Pension Plan

The Pension Fund's Board of Trustees is comprised of the five Directors of the Parker Fire Protection District plus two retired volunteer members. At December 31, 2021, there are 18 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, 2021. The next study

will be performed January 1, 2023. The actuarial study as of January 2021 determines the contributions for 2022 and 2023 which is \$36,707

For the year ended December 31, 2021, the District recognized pension income of \$31,989. At December 31, 2021, 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	—	13,923
Changes in proportion and differences between contributions recognized and proportionate share of contributions	—	—
Contributions subsequent to the measurement date	45,550	—
Total	<u>\$ 45,550</u>	<u>\$ 13,923</u>

A summary of the annual required contribution as compared to actual contributions for the last 10 years is as follows:

Annual Required Contribution - Parker Fire Volunteer Pension Plan

Fiscal Year Ending	Annual Required Contribution	Actual Contribution	Percent
December 31			
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 %
2021	45,550	45,550	100 %

The changes in the net pension liability for the measurement period at December 31, 2020 are calculated as follows:

A. Total Pension Liability	
Interest on the Total Pension Liability	\$ 40,058
Difference between expected and actual experience of the Total Pension Liability	(10,046)
Changes of assumptions	-
Benefit payments	<u>(66,682)</u>
Net change in total pension liability	\$ (36,670)
Total pension liability - beginning	<u>605,031</u>
Total pension liability - ending	<u><u>\$ 568,361</u></u>
B. Plan fiduciary net position	
Contributions - employer	\$ 45,550
Net investment income	26,007
Benefit payments	(66,682)
Pension plan Administrative Expense	<u>(4,496)</u>
Net change in plan fiduciary net position	\$ 379
Plan fiduciary net position - beginning (Market value of assets at beginning of year)	<u>256,451</u>
Plan fiduciary net position - ending (Market value of assets at end of year)	<u>\$ 256,830</u>
C. Net pension liability/(asset)	<u><u>\$ 311,531</u></u>

Contributions subsequent to the measurement date of December 31, 2020, 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, 2022. 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
2022	\$ (5,300)
2023	(1,484)
2024	(5,350)
2025	(1,789)
2026	—
Thereafter	<u>—</u>
Total	<u>\$ (13,923)</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, 2021 there are 12 retirees and/or beneficiaries receiving benefits. The plan is funded based on the bi-annual actuarial study. The contribution made by the District is the full amount of the required contribution. Plan members do not make contributions. The volunteer plan is a closed plan and there are no active members. There are no inactive members not yet receiving benefits. The latest actuarial study was performed as of January 1, 2021. The next study will be performed January 1, 2023. The actuarial study as of January 2021 determines that \$11,617 is needed for the 2022 and 2023 years.

For the year ended December 31, 2021, the District recognized pension expense of \$1,386. At December 31, 2021, 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	—	17,636
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>\$ 17,636</u>

A summary of the annual required contribution as compared to actual contributions for the last 10 years is as follows:

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

Fiscal Year Ending	Annual Required Contribution	Actual Contribution	Percent
December 31			
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 %
2021	11,311	11,311	100 %

The changes in the net pension liability/(asset) for the measurement period at December 31, 2020 is calculated as follows:

A. Total Pension Liability	
Interest on the Total Pension Liability	\$ 23,225
Difference between expected and actual experience of the Total Pension Liability	9,345
Changes of assumption	-
Benefit payments	(36,300)
Net change in total pension liability	\$ (3,730)
Total pension liability - beginning	349,629
Total pension liability - ending	\$ 345,899
B. Plan fiduciary net position	
Contributions - employer	\$ 11,311
Net investment income	31,368
Benefit payments	(36,300)
Pension plan Administrative Expense	(3,224)
Net change in plan fiduciary net position	\$ 3,155
Plan fiduciary net position - beginning (Market value of assets at beginning of year)	272,778
Plan fiduciary net position - ending (Market value of assets at end of year)	\$ 275,933
C. Net pension liability/(asset)	\$ 69,966
D. Plan fiduciary net position as a percentage of the total pension liability	79.77 %

Contributions subsequent to the measurement date of December 31, 2020, 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, 2022. 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
2022	\$ (6,335)
2023	(2,197)
2024	(6,456)
2025	(2,648)
2026	—
Thereafter	—
Total	<u>\$ (17,636)</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, 2021, there are 10 retirees and/or beneficiaries receiving benefits from this plan. This plan was closed upon the merger of Cherry Hills Fire Protection District and South

Metro Fire Rescue. This is a closed plan and there are no active members. There are no inactive members not yet receiving benefits.

Contributions are dependent on the biannual actuarial studies done by FPPA, which at January 1, 2020 determined a \$216,735 contribution be made in 2021 and 2022. The next actuarial study 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, 2021, the District recognized pension income of \$121,315. At December 31, 2021, 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	—	84,804
Changes in proportion and differences between contributions recognized and proportionate share of contributions	—	—
Contributions subsequent to the measurement date	216,735	—
Total	<u>\$ 216,735</u>	<u>\$ 84,804</u>

A summary of the annual required contribution as compared to actual contributions for the last 10 years is as follows:

Annual Required Contribution - Cherry Hills Paid Pension

Fiscal Year Ending	Annual Required Contribution	Actual Contribution	Percent
December 31			
2012	176,740	176,740	100 %
2013	206,100	206,100	100 %
2014	206,100	201,921	100 %
2015	201,921	201,921	98 %
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 %
2021	216,735	216,735	100 %

The changes in the net pension liability/(asset) for the measurement period at December 31, 2020 is calculated as follows:

A. Total pension liability	
Interest on the Total Pension Liability	\$ 254,807
Difference between expected and actual experience of the Total Pension Liability	\$ —
Changes of assumptions	\$ —
Benefit Payments	<u>(371,496)</u>
Net change in pension liability	\$ (116,689)
Total pension liability - beginning	<u>4,102,938</u>
Total pension liability - ending	<u>\$ 3,986,249</u>
B. Plan fiduciary net position	
Contributions - employer	\$ 216,735
Net investment income	208,704
Benefit payments	(371,496)
Pension Plan Administrative Expense	<u>(4,457)</u>
Net change in plan fiduciary net position	\$ 49,486
Plan fiduciary net position - beginning (Market value of assets at beginning of year)	<u>2,249,584</u>
Plan fiduciary net position - ending (Market value of assets at end of year)	<u>\$ 2,299,070</u>
C. Net pension liability	<u>\$ 1,687,179</u>
D. Plan fiduciary net position as a percentage of the total pension liability	57.68 %

Contributions subsequent to the measurement date of December 31, 2020, 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, 2022. 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
2022	\$ (31,958)
2023	(4,206)
2024	(35,126)
2025	(13,514)
2026	—
Thereafter	—
Total	<u>\$ (84,804)</u>

The Pension Plan is funded entirely by a mill levy assessed on the former Cherry Hills Fire Protection District. For 2021 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. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

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

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

A member may elect to participate in the deferred retirement option plan (DROP) after reaching eligibility for normal retirement, early retirement, or vested retirement at age 55. A member can continue to work while participating in the DROP, but must terminate employment within 5 years of entry into DROP. The member's participating percentage of

retirement benefit is determined at the time of entry into the DROP. The monthly payments that begin at the entry into the DROP are accumulated in a DROP account until the member terminates service, at which time the DROP accumulated benefits can be paid as periodic installments, a lump sum, or if desired, a member may elect to convert the DROP to a lifetime monthly benefit with survivor benefits. While participating in the DROP, the member continues to make pension contributions that are credited to the DROP. Effective January 1, 2003, the member shall self-direct investments of their DROP funds.

Contributions. Through December 31, 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 8.0 percent and 8.50 percent in 2020 and 2021, respectively. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13.0 percent of pensionable earnings. In 2020, members of the SWDB plan and their employers are contributing at the rate of 11.0 percent and 8.0 percent, respectively, of pensionable earnings for a total contribution rate of 19.0 percent.

The contribution rate for members and employers of affiliated social security employers is 5.5 percent and 4 percent, respectively, of pensionable earnings for a total contribution rate of 9.50 percent in 2020 and 9.75 percent in 2021. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions are 4.0 percent and 4.25 percent in 2020 and 2021, respectively. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

The member contribution rate as of December 31, 2021 for members hired prior to April 1, 2009 was 10% and the District's contribution rate was 10%. For members hired after April 1, 2009 the member contribution rate as of December 31, 2021 was 11.5% and the District's contribution rate was 8.5%. Contributions to the SWDB plan from the District were \$1,655,277 for the year ended December 31, 2021.

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

At December 31, 2021, the District reported an asset of \$5,673,024 for its proportionate share of the SWDB net pension asset. The net pension asset was measured as of December

31, 2020, 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, 2020, the District's proportion was 2.613 percent, which was a decrease of 0.168 percent from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the District recognized pension expense of \$97,356. At December 31, 2021, 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	\$ 4,811,282	\$ 22,564
Changes of assumptions or other inputs	2,412,822	—
Net difference between projected and actual earnings on pension plan investments	—	5,827,011
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,330,672	—
Contributions subsequent to the measurement date	1,655,277	—
Total	<u>\$ 10,210,053</u>	<u>\$ 5,849,575</u>

Total reported deferred outflows of resources related to pension were \$1,655,277 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, 2022. 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	\$ (637,402)
2022	118,397
2023	(861,931)
2024	129,419
2025	1,040,964
Thereafter	<u>1,585,082</u>
Total	<u>\$ 1,374,529</u>

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, 2020. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial valuation date	January 1, 2021	January 1, 2020
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, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	39%	8.23%
Equity long/short	8%	6.87%
Private markets	26%	10.63%
Fixed income - Rates	10%	4.01%
Fixed income - Credit	5%	5.25%
Absolute return	10%	5.60%
Cash	2%	2.52%
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%)
Proportion share of the net pension liability (asset)	5,709,008	(5,673,024)	(15,098,767)

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 SWH plan is comprised of two components: Defined Benefit and Money Purchase. With the latter component, employees have the option of choosing among various mutual funds offered by an outside investment manager. Employers may not withdraw from the SWH plan once affiliated.

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

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

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

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

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Defined Benefit Component of the SWH plan and remain eligible for a retirement pension at age 55 equal to 1.5 percent of the average of the member's highest three years' base salary for each year of credited service. In addition, upon termination, the vested account balance within the Money Purchase Component becomes available to the member.

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

contributions, which are credited to the DROP. The member shall self-direct the investments of their DROP funds.

Contributions. The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. The members of the SWH plan and their employers are currently each contributing at the rate determined by the individual employer, however, the rate for both employer and members must be at least 8 percent of the member's pensionable earnings. The amount allocated to the Defined Benefit Component is set annually by the FPPA Board of Directors. Excess contributions fund the Money Purchase Component of the Plan. The Defined Benefit Component contribution rate from July 1, 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. Effective July 1, 2020 the Defined Benefit Component contribution rate is set at 13.80 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 \$82,057 for the year ended December 31, 2021.

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

At December 31, 2021, the District reported an asset of \$1,279,952 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset was based upon the January 1, 2021 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, 2020 based upon the January 1, 2020 actuarial valuation. At December 31, 2020, the District's proportion was 4.654 percent.

For the year ended December 31, 2021, the District recognized a pension income of \$84,190. At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Difference between actual and expected experience	\$ 475,312	\$ —
Changes of assumptions or other inputs	60,113	—
Net difference between projected and actual earnings on pension plan investments	—	296,396
Changes in proportion and differences between contributions recognized and proportionate share of contributions	627,749	—
Contributions subsequent to the measurement date	79,601	—
Total	<u>\$ 1,242,775</u>	<u>\$ 296,396</u>

The \$82,057 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, 2022. 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	\$ 58,638
2022	94,158
2023	29,305
2024	15,277
2025	33,887
Thereafter	<u>7,765</u>
Total	<u>\$ 239,029</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, 2020. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial valuation date	January 1, 2021	January 1, 2020
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, 2020 are summarized in the following table:

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

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

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

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Proportion share of the net pension liability (asset)	(882,140)	(1,279,952)	(1,609,932)

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, 2021 is \$0. 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, 2021, District contributed and recognized as expense \$1,761,134. Employees are 100% vested upon date of hire, therefore, there were no forfeitures returned to the plan during 2021

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 14 - 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 15 – CONTINGENCY

Litigation

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

REQUIRED SUPPLEMENTARY INFORMATION

**SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Property taxes	\$ 115,179,091	\$ 115,179,091	\$ 114,601,105	\$ (577,986)
Specific ownership taxes	8,638,433	8,638,433	9,401,888	763,455
Excise taxes	250,000	250,000	—	(250,000)
Charges for service - transports	11,419,895	11,419,895	11,691,509	271,614
Charges for service - plan review fees	2,080,000	2,080,000	1,822,037	(257,963)
Contracted services	318,362	318,362	318,362	—
Medicaid supplemental fee	5,076,521	5,076,521	6,191,645	1,115,124
Dispatch fees	116,726	116,726	116,726	—
Reimbursements	1,181,104	1,181,104	1,720,567	539,463
Net investment earnings	1,095,000	1,095,000	(95,251)	(1,190,251)
Lease rental income	175,053	175,053	209,527	34,474
Miscellaneous revenue	379,754	379,754	302,111	(77,643)
Total revenues	<u>145,909,939</u>	<u>145,909,939</u>	<u>146,280,226</u>	<u>370,287</u>
EXPENDITURES				
Public safety				
Administration	20,299,162	20,299,162	18,312,984	1,986,178
Field operations	96,808,631	96,808,631	98,725,921	(1,917,290)
Training	3,032,413	3,032,413	2,014,883	1,017,530
Fire Marshal	5,102,682	5,102,682	5,326,911	(224,229)
Dispatch	3,316,406	3,316,406	3,164,907	151,499
Fleet maintenance	3,727,999	3,727,999	4,245,869	(517,870)
Wellness	4,423,393	4,423,393	4,406,038	17,355
Facilities maintenance	2,321,498	2,321,498	2,347,727	(26,229)
Capital outlay	71,476	2,112,478	2,112,478	—
Total expenditures	<u>139,103,660</u>	<u>141,144,662</u>	<u>140,657,718</u>	<u>486,944</u>
Excess of revenues over (under) expenditures	<u>6,806,279</u>	<u>4,765,277</u>	<u>5,622,508</u>	<u>857,231</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	2,000,000	2,000,000	2,132,598	132,598
Transfers to other funds	(6,434,630)	(16,364,817)	(16,364,817)	—
Lease financing	—	2,041,002	2,041,002	—
Sale of capital assets	2,590,000	2,590,000	589,411	(2,000,589)
Total other financing sources (uses)	<u>(1,844,630)</u>	<u>(9,733,815)</u>	<u>(11,601,806)</u>	<u>(1,867,991)</u>
Net change in fund balances	4,961,649	(4,968,538)	(5,979,298)	(1,010,760)
Fund balances - beginning of year	54,350,778	54,350,778	54,340,164	(10,614)
Fund balances - end of year	<u>\$ 59,312,427</u>	<u>\$ 49,382,240</u>	<u>\$ 48,360,866</u>	<u>\$ (1,021,374)</u>

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, 2021**

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUE			
Property taxes	\$ 267,420	\$ 265,620	\$ (1,800)
Specific ownership taxes	20,057	18,431	(1,626)
Net investment earnings	5,000	718	(4,282)
Total revenue	<u>292,477</u>	<u>284,769</u>	<u>(7,708)</u>
EXPENDITURES			
Administration	4,011	3,989	22
Contribution to pension plan	216,735	216,735	—
Other	3,254	—	3,254
Total expenditures	<u>224,000</u>	<u>220,724</u>	<u>3,276</u>
Excess of revenue over expenditures	68,477	64,045	(4,432)
Fund balances - beginning of year	<u>689,471</u>	<u>689,471</u>	<u>—</u>
Fund balance - end of year	<u>\$ 757,948</u>	<u>\$ 753,516</u>	<u>\$ (4,432)</u>

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

FY Ending December 31,	Acturially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2021	\$ 45,550	\$ 45,550	\$ —	N/A	N/A
2020	45,550	45,550	—	N/A	N/A
2019	30,619	30,619	—	N/A	N/A
2018	30,619	30,619	—	N/A	N/A
2017	28,670	28,670	—	N/A	N/A
2016	28,670	28,670	—	N/A	N/A
2015	27,895	27,596	299	N/A	N/A
2014	27,895	27,895	—	N/A	N/A
2013	24,628	27,895	(3,267)	N/A	N/A
2012	24,628	24,628	—	N/A	N/A

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

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

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

FY Ending December 31,	Acturially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2021	\$ 11,311	\$ 11,311	\$ —	N/A	N/A
2020	11,311	11,311	—	N/A	N/A
2019	2,070	2,070	—	N/A	N/A
2018	2,070	2,070	—	N/A	N/A
2017	—	—	—	N/A	N/A
2016	—	—	—	N/A	N/A
2015	—	—	—	N/A	N/A
2014	—	—	—	N/A	N/A
2013	—	—	—	N/A	N/A
2012	—	—	—	N/A	N/A

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

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

FY Ending December 31,	Acturially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2021	\$ 216,735	\$ 216,735	\$ —	N/A	N/A
2020	216,735	216,735	—	N/A	N/A
2019	216,735	216,735	—	N/A	N/A
2018	214,110	214,110	—	N/A	N/A
2017	214,110	214,110	—	N/A	N/A
2016	201,921	201,921	—	N/A	N/A
2015	201,921	201,921	—	N/A	N/A
2014	206,100	201,921	4,179	N/A	N/A
2013	206,100	206,100	—	N/A	N/A
2012	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,	Acturially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2021	\$ 1,655,277	\$ 1,655,277	\$ —	\$ 19,806,860	8.60%
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,	Acturially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2021	\$ 82,057	\$ 82,057	\$ —	\$ 820,057	10.01%
2020	79,038	79,038	—	790,383	10.00%
2019	80,793	80,793	—	807,926	10.00%

*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, 2021**

NOTE 1 – BUDGETARY BASIS

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

NOTE 2 – SCHEDULE OF CONTRIBUTIONS

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

1. Parker Fire Protection District Volunteer Pension Fund

Valuation Date:	Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2019 determine the contribution amounts for 2020 and 2021.
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Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open
Remaining Amortization Period	18 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.5%
Salary Increases	N/A
Investment Rate of Return	7.00%
Retirement Age	50% Per Year of Eligibility Until 100% at Age 65.
Mortality	Pre-retirement: 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality. Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and

**SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 DECEMBER 31, 2021
 (Continued)**

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

2. South Metro Fire Rescue Volunteer Pension Fund

Valuation Date: Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2019, determines the contribution amounts for 2020 and 2021.

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

SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2021
(Continued)

scales, and then projected prospectively using the ultimate rates of the scale for all years.

3. Cherry Hills Old Hire Fire Pension Fund

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

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open
Remaining Amortization Period	16 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, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
REVENUE		
Property taxes	\$ 114,601,105	\$ 113,192,531
Specific ownership taxes	9,401,888	8,905,534
Excise taxes	-	347,056
Charges for service - transports	11,691,509	9,695,303
Charges for service - plan review fees	1,822,037	1,808,045
Contracted services	318,362	312,120
Medicaid supplemental fee	6,191,645	5,543,184
Dispatch fees	116,726	115,770
Reimbursements	1,720,567	2,037,085
Net investment earnings	(95,251)	1,209,918
Miscellaneous revenue	511,638	1,318,694
Total revenue	<u>146,280,226</u>	<u>144,485,240</u>
EXPENDITURES		
Public Safety		
Administration	18,312,984	18,396,292
Field operations	98,725,921	93,579,231
Training	2,014,883	3,650,775
Fire Marshal	5,326,911	5,076,746
Dispatch	3,164,907	3,095,996
Fleet maintenance	4,245,869	3,811,618
Wellness	4,406,038	3,824,884
Facilities maintenance	2,347,727	1,987,695
Capital outlay	2,112,478	396,122
Total expenditures	<u>140,657,718</u>	<u>133,819,359</u>
Excess (deficiency) of revenue over expenditures	5,622,508	10,665,881
OTHER FINANCING SOURCES (USES)		
Transfers from other funds	2,132,598	-
Transfers to other funds	(16,364,817)	(7,747,398)
Lease financing	2,041,002	-
Sale of capital assets	589,411	133,988
Net change in fund balance	(5,979,298)	3,052,471
Fund balances - beginning of year	<u>54,340,164</u>	<u>51,287,693</u>
Fund balances - end of year	<u>\$ 48,360,866</u>	<u>\$ 54,340,164</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, 2021 AND 2020**

	2021	2020
REVENUE		
Property Taxes	\$ 265,620	\$ 265,190
Specific Ownership Tax	18,431	19,010
Net investment earnings	718	5,637
Total revenue	284,769	289,837
EXPENDITURES		
Administration	3,989	3,985
Pension contributions	216,735	216,735
Total expenditures	220,724	220,720
Excess (deficiency) of revenue over expenditures	64,045	69,117
Net change in fund balance	64,045	69,117
Fund balances - beginning of year	689,471	620,354
Fund balances - end of year	\$ 753,516	\$ 689,471

**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, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
REVENUE		
Net investment earnings	\$ —	\$ 7,821
Excise tax	577,988	—
Total revenue	<u>577,988</u>	<u>7,821</u>
EXPENDITURES		
Equipment capital outlay	108,292	88,457
Vehicle capital outlay	1,668,346	917,450
Buildings and grounds capital outlay	2,700,118	6,749,312
Total expenditures	<u>4,476,756</u>	<u>7,755,219</u>
Excess (deficiency) of revenue over expenditures	<u>(3,898,768)</u>	<u>(7,747,398)</u>
OTHER FINANCING SOURCES (USES)		
Transfers from other funds	15,364,817	7,747,398
Total other financing sources (uses)	<u>15,364,817</u>	<u>7,747,398</u>
Net change in fund balance	11,466,049	—
Fund balances - beginning of year	<u>—</u>	<u>—</u>
Fund balances - end of year	<u>\$ 11,466,049</u>	<u>\$ —</u>

**SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUE			
Net investment earnings	\$ —	\$ —	\$ —
Excise tax	—	577,988	577,988
Total revenue	—	577,988	577,988
EXPENDITURES			
Field operations	149,844	100,992	48,852
Facilities maintenance	7,300	7,300	—
Capital outlay	6,277,486	4,368,464	1,909,022
Total expenditures	6,434,630	4,476,756	1,957,874
Excess (deficiency) of revenue over expenditures	(6,434,630)	(3,898,768)	1,379,886
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	6,434,630	15,364,817	8,930,187
Net change in fund balance	—	11,466,049	11,466,049
Fund balance - beginning of year	—	—	—
Fund balance - end of year	\$ —	\$ 11,466,049	\$ 11,466,049

**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, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUE				
Lease rental income	\$ 795,584	\$ 795,584	\$ 798,602	\$ 3,018
Lease interest income	—	—	11,221	11,221
Miscellaneous revenue	—	—	99	99
Total revenue	<u>795,584</u>	<u>795,584</u>	<u>809,922</u>	<u>14,338</u>
EXPENDITURES				
Fleet, buildings and grounds maintenance	675,725	563,504	563,504	—
Capital outlay	105,175	257,605	257,605	—
Total expenditures	<u>780,900</u>	<u>821,109</u>	<u>821,109</u>	<u>—</u>
Excess (deficiency) revenue over expenditures	<u>14,684</u>	<u>(25,525)</u>	<u>(11,187)</u>	<u>14,338</u>
OTHER FINANCING SOURCES (USES)				
Transfer to General Fund	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>—</u>
Net change in fund balances	<u>(1,985,316)</u>	<u>(2,025,525)</u>	<u>(2,011,187)</u>	<u>14,338</u>
Funds available - beginning of year	<u>2,440,887</u>	<u>2,440,887</u>	<u>2,413,718</u>	<u>(27,169)</u>
Funds available - end of year	<u>\$ 455,571</u>	<u>\$ 415,362</u>	<u>\$ 402,531</u>	<u>\$ (12,831)</u>
Reconciliation to GAAP basis				
Excess of revenue (under) expenditures			\$ (2,011,187)	
Capital purchases			298,643	
Depreciation			<u>(302,285)</u>	
Net income - GAAP basis			<u>\$ (2,014,829)</u>	
Funds available at December 31, 2021 are computed as follows:				
Funds available - end of year			\$ 402,531	
Net investment in capital assets			<u>5,990,896</u>	
			<u>\$ 6,393,427</u>	

DESCRIPTION OF STATISTICAL SECTION CONTENTS

December 31, 2021

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

Contents:

Schedules:

Financial Trends:

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

95-98

Revenue Capacity:

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

99-103

Debt Capacity:

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

104-107

Demographic and Economic Statistics:

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

108-109

Operating Information:

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

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

	Fiscal Year									
	2012	2013	2014 Restated	2015	2016	2017	2018 Restated	2019 Restated	2020	2021
Governmental activities										
Net invested in capital assets	\$37,553,488	\$37,980,429	\$35,572,670	\$40,310,492	\$45,859,677	\$49,544,941	\$ 63,425,921	\$ 75,411,948	\$ 76,995,272	\$ 76,875,572
Restricted	1,677,229	1,677,229	1,677,229	1,677,229	1,859,413	1,907,503	1,216,495	1,453,217	5,024,028	6,073,619
Unrestricted	39,648,568	45,390,957	46,813,523	41,729,011	33,889,278	31,389,743	31,821,955	53,509,303	52,421,108	56,632,649
Total governmental activities net position	\$78,879,285	\$85,048,615	\$84,063,422	\$83,716,732	\$81,608,368	\$82,842,187	\$ 96,464,371	\$ 130,374,468	\$ 134,440,408	\$ 139,581,840
Business-type activities										
Net invested in capital assets	\$ 7,436,201	\$ 7,264,343	\$ 7,533,403	\$ 7,080,071	\$ 6,760,140	\$ 5,623,230	\$ 6,303,231	\$ 5,987,080	\$ 5,994,538	\$ 5,990,896
Unrestricted	2,896,818	3,491,121	4,317,329	5,323,063	6,722,583	2,673,249	2,273,623	2,433,901	2,413,718	402,531
Total business-type activities net position	\$10,333,019	\$10,755,464	\$11,850,732	\$12,403,134	\$13,482,723	\$ 8,296,479	\$ 8,576,854	\$ 8,420,981	\$ 8,408,256	\$ 6,393,427
Primary government										
Net invested in capital assets	\$44,989,689	\$45,244,772	\$43,106,073	\$47,390,563	\$52,619,817	\$55,168,171	\$ 69,729,152	\$ 81,399,028	\$ 82,989,810	\$ 82,866,468
Restricted	1,677,229	1,677,229	1,677,229	1,677,229	1,859,413	1,907,503	1,216,495	1,453,217	5,024,028	6,073,619
Unrestricted	42,545,386	48,882,078	51,130,852	47,052,074	40,611,861	34,062,992	34,095,578	55,943,204	54,834,826	57,035,180
Total primary government net position	\$89,212,304	\$95,804,079	\$95,914,154	\$96,119,866	\$95,091,091	\$91,138,666	\$ 105,041,225	\$ 138,795,449	\$ 142,848,664	\$ 145,975,267

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

Expenses	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:			Restated				Restated	Restated		
Field operations	\$ 38,124,220	\$ 38,306,121	\$ 42,244,360	\$ 37,210,868	\$ 38,237,300	\$ 47,931,085	\$ 66,461,430	\$ 90,702,140	\$ 104,286,977	\$ 101,426,388
Preparedness	-	-	-	4,295,777	4,149,473	4,916,478	4,948,552	5,418,083	-	-
Fleet services	3,348,158	3,363,994	3,844,680	3,753,049	4,125,614	(17,610)	4,204,713	4,730,087	5,007,425	7,690,979
Support services	10,443,672	9,049,321	10,057,504	12,200,292	9,750,459	8,892,556	4,801,175	9,971,802	19,502,588	23,722,075
Fire Marshal	3,023,428	3,080,050	3,383,915	2,430,675	2,699,413	2,862,739	3,182,917	4,842,321	5,143,336	5,328,172
Metcom/Technical Services	-	-	-	-	6,654,643	5,228,438	8,563,772	14,042,210	-	-
Dispatch	-	-	-	-	-	-	-	-	3,159,531	3,307,622
Training	-	-	-	-	-	-	-	-	3,638,030	2,008,454
Capital lease interest	171,682	3,464	-	-	-	-	-	-	-	-
Total governmental activities expenses	\$ 55,111,160	\$ 53,802,950	\$ 59,530,459	\$ 59,890,661	\$ 65,616,902	\$ 69,813,686	\$ 92,162,559	\$ 129,706,643	\$ 140,737,887	\$ 143,483,690
Business-type activities:										
Building rental	\$ 1,100,047	\$ 1,047,679	\$ 1,096,244	\$ 1,087,384	\$ 864,682	\$ 858,801	\$ 589,904	\$ 988,600	\$ 885,152	\$ 824,751
Ambulance transports	3,267,603	3,607,107	3,798,215	3,960,029	3,776,570	3,125,249	-	-	-	-
Total business-type activities expenses	\$ 4,367,650	\$ 4,654,786	\$ 4,894,459	\$ 5,047,413	\$ 4,641,252	\$ 3,984,050	\$ 589,904	\$ 988,600	\$ 885,152	\$ 824,751
Total primary government expenses	\$ 59,478,810	\$ 58,457,736	\$ 64,424,918	\$ 64,938,074	\$ 70,258,154	\$ 73,797,736	\$ 92,752,463	\$ 130,695,243	\$ 141,623,039	\$ 144,308,441
Program Revenues										
Governmental activities:										
Field operations	\$ 1,289,828	\$ 947,793	\$ 723,404	\$ 647,132	\$ 544,856	\$ 848,205	\$ 7,264,272	\$ 12,906,023	\$ 11,923,577	\$ 9,722,230
Preparedness	-	-	-	79,679	170,598	274,106	287,876	356,956	-	-
Fleet services	353,504	356,838	368,251	353,961	206,799	277,495	57,544	124,353	351,281	18,447
Support services	260,562	458,987	395,342	374,188	486,472	229,673	151,090	588,353	380,039	938,799
Fire Marshal	907,462	1,159,437	1,334,826	1,477,511	1,701,879	1,803,896	1,680,971	2,587,981	1,867,387	1,822,037
Metcom/Technical service	-	-	-	-	213,426	440,511	1,221,460	198,511	-	-
Dispatch	-	-	-	-	-	-	-	-	115,770	116,726
Training	-	-	-	-	-	-	-	-	95,965	7,597
Contracted services - City of Littleton	-	-	-	-	-	-	-	9,092,902	-	-
Total governmental activities program revenues	\$ 2,811,356	\$ 2,923,055	\$ 2,821,823	\$ 2,932,471	\$ 3,324,030	\$ 3,873,886	\$ 10,663,213	\$ 25,855,079	\$ 14,734,019	\$ 12,625,836
Business-type activities:										
Building rental	\$ 2,944,299	\$ 1,283,913	\$ 1,561,458	\$ 1,450,494	\$ 1,447,718	\$ 1,287,984	\$ 820,434	\$ 781,682	\$ 837,182	\$ 809,823
Ambulance transports*	4,021,685	4,075,906	4,034,584	4,034,916	4,210,217	4,575,987	-	-	-	-
Total governmental activities program revenues	\$ 6,965,984	\$ 5,359,819	\$ 5,596,042	\$ 5,485,410	\$ 5,657,935	\$ 5,863,971	\$ 820,434	\$ 781,682	\$ 837,182	\$ 809,823
Total primary government program revenues	\$ 9,777,340	\$ 8,282,874	\$ 8,417,865	\$ 8,417,881	\$ 8,981,965	\$ 9,737,857	\$ 11,483,647	\$ 26,636,761	\$ 15,571,201	\$ 13,435,659
Net (Expense)/Revenue										
Governmental activities	\$ (52,299,804)	\$ (50,879,895)	\$ (56,708,636)	\$ (56,958,190)	\$ (62,292,872)	\$ (65,939,800)	\$ (81,499,346)	\$ (103,851,564)	\$ (126,003,868)	\$ (130,857,854)
Business-type activities	2,598,334	705,033	701,583	437,997	1,016,683	1,879,921	230,530	(206,918)	(47,970)	(14,928)
Total primary government net expense	\$ (49,701,470)	\$ (50,174,862)	\$ (56,007,053)	\$ (56,520,193)	\$ (61,276,189)	\$ (64,059,879)	\$ (81,268,816)	\$ (104,058,482)	\$ (126,051,838)	\$ (130,872,782)
General Revenues										
Governmental activities:										
Property tax	\$ 50,955,181	\$ 51,005,289	\$ 51,354,176	\$ 51,684,596	\$ 53,737,956	\$ 54,069,865	\$ 71,775,702	\$ 97,206,003	\$ 113,457,721	\$ 114,866,725
Specific ownership tax	3,697,554	3,964,219	4,197,425	4,485,684	4,542,980	5,263,971	6,208,669	8,665,297	8,924,544	9,420,319
Excise taxes	-	-	-	-	-	-	-	-	347,056	577,988
Medicare/medicaid supplemental fee	-	-	-	-	-	-	-	-	5,076,521	6,191,645
Investment earnings	301,132	125,608	254,646	315,995	556,239	381,539	897,067	1,956,095	1,229,751	(93,890)
Gain (loss) on sale of assets	2,000	876,929	(821,111)	85,914	47,236	71,745	1,392,020	162,270	14,554	348,898
Miscellaneous income	194,006	1,077,180	693,545	39,311	1,748,472	272,568	417,764	246,365	1,019,661	3,555,003
Transfers	-	-	(380,472)	-	-	7,164,540	-	-	-	1,132,598
Total governmental activities	\$ 55,149,873	\$ 57,049,225	\$ 55,298,209	\$ 56,611,500	\$ 60,632,883	\$ 67,224,228	\$ 80,691,222	\$ 108,236,030	\$ 130,069,808	\$ 135,999,286
Business-type activities:										
Miscellaneous income	\$ 41,012	\$ 163,481	\$ 12,435	\$ 113,212	\$ 55,257	\$ 4,528	\$ -	\$ -	\$ 1,150	\$ 99
Investment earnings	-	-	778	1,193	7,649	93,847	49,845	51,045	34,095	-
Sale of assets	-	40,698	-	-	-	-	-	-	-	-
Transfers	-	-	380,472	-	-	(7,164,540)	-	-	-	(2,000,000)
Total business-type activities	\$ 41,012	\$ 204,179	\$ 393,685	\$ 114,405	\$ 62,906	\$ (7,066,165)	\$ 49,845	\$ 51,045	\$ 35,245	\$ (1,999,901)
Total primary government	\$ 55,190,885	\$ 57,253,404	\$ 55,691,894	\$ 56,725,905	\$ 60,695,789	\$ 60,158,063	\$ 80,741,067	\$ 108,287,075	\$ 130,105,053	\$ 133,999,385
Change in Net Position										
Governmental activities	2,850,069	6,169,330	(1,410,427)	(346,690)	(1,659,989)	1,284,428	(808,124)	4,384,466	4,065,940	5,141,432
Business-type activities	2,639,346	909,212	1,095,268	552,402	1,079,589	(5,186,244)	280,375	(155,873)	(12,725)	(2,014,829)
Total primary government	\$ 5,489,415	\$ 7,078,542	\$ (315,159)	\$ 205,712	\$ (580,400)	\$ (3,901,816)	\$ (527,749)	\$ 4,228,593	\$ 4,053,215	\$ 3,126,603

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund			Restated				Restated	Restated		
Non-spendable	\$ 283,797	\$ 207,902	\$ 289,979	\$ 248,845	\$ 1,421,568	\$ 2,996,772	\$ 2,825,564	\$ 3,273,634	\$ 3,813,422	\$ 3,768,136
Restricted	1,677,229	1,677,229	1,677,229	1,677,229	1,855,245	1,907,503	358,245	832,863	4,334,557	4,377,298
Committed	—	—	—	—	—	—	—	—	—	31,501,896
Assigned	—	—	—	—	—	—	—	—	—	132,598
Unassigned	22,720,736	29,781,644	32,725,239	34,078,639	33,265,913	34,738,963	33,822,836	47,181,196	46,192,185	8,580,938
Total general fund	<u>\$24,681,762</u>	<u>\$31,666,775</u>	<u>\$34,692,447</u>	<u>\$36,004,713</u>	<u>\$36,542,726</u>	<u>\$39,643,238</u>	<u>\$37,006,645</u>	<u>\$51,287,693</u>	<u>\$54,340,164</u>	<u>\$48,360,866</u>
All Other Governmental Funds										
Non-spendable	218,684	—	—	—	—	—	—	—	—	5,466,332
Restricted: Cherry Hills Property Tax Fund	—	—	425,234	443,110	448,375	498,984	558,250	620,354	689,471	753,516
Restricted: Excise tax revenue	—	—	—	—	—	—	—	—	—	942,805
Committed	—	—	—	—	—	—	—	—	—	5,056,912
Assigned, reported in:										
Capital project funds	19,808,047	18,982,476	18,986,209	12,434,339	5,351,715	30,165	—	—	—	—
Special revenue funds:										
Parker Fire Protection District Fund	149,508	149,958	149,958	149,945	—	—	—	—	—	—
SMFR Fund	149,584	149,949	149,949	150,006	—	—	150,000	—	—	—
CFPD Fund	—	—	—	—	—	—	150,000	—	—	—
Total all other governmental funds	<u>\$20,325,823</u>	<u>\$19,282,383</u>	<u>\$19,711,350</u>	<u>\$13,177,400</u>	<u>\$ 5,800,090</u>	<u>\$ 529,149</u>	<u>\$ 858,250</u>	<u>\$ 620,354</u>	<u>\$ 689,471</u>	<u>\$12,219,565</u>

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues			Restated				Restated	Restated		
Property taxes	\$ 50,955,181	\$ 51,005,289	\$ 51,354,176	\$ 51,684,596	\$ 53,737,957	\$ 54,069,865	\$ 71,775,702	\$ 97,206,003	\$ 113,457,721	\$ 114,866,725
Specific ownership taxes	3,697,554	3,964,220	4,197,425	4,485,684	4,542,980	5,263,971	6,208,669	8,665,297	8,924,544	9,420,319
Excise taxes	-	-	-	-	-	-	-	-	347,056	577,988
Net investment earnings	301,131	125,609	254,646	315,995	556,239	381,539	897,067	1,956,095	1,223,376	(94,533)
Charges for service - transports*	-	-	-	-	-	-	6,089,477	9,980,440	9,695,303	11,691,509
Charges for service - plan review	-	-	-	-	-	-	1,637,111	2,535,506	1,808,045	1,822,037
Contracted services	-	-	-	-	-	-	-	9,092,902	312,120	318,362
Medicaid supplemental fee	-	-	-	-	-	-	-	2,345,340	5,543,184	6,191,645
Dispatch fees**	-	-	-	-	-	-	1,035,219	106,494	115,770	116,726
Deployment reimbursements**	-	-	-	-	-	-	1,082,535	1,184,460	2,037,085	1,720,567
Lease rental income	197,761	198,708	247,862	203,673	217,357	155,553	151,091	173,195	180,249	209,527
Other	2,807,601	3,801,528	3,267,508	2,768,108	3,126,271	3,990,901	1,085,546	683,108	1,138,445	302,111
Total Revenues	57,959,228	59,095,354	59,321,617	59,458,056	62,180,804	63,861,829	89,962,417	133,928,840	144,782,898	147,142,983
Expenditures										
Public Safety										
Administration	4,343,370	4,417,199	4,754,912	6,460,264	6,837,944	7,371,454	9,522,631	12,533,167	18,400,277	18,316,973
Field operations	37,687,188	38,044,547	40,218,314	37,132,243	38,150,318	41,677,165	60,006,147	85,370,644	93,884,423	99,043,648
Training	-	-	-	4,250,316	4,115,740	4,937,445	4,959,920	5,330,881	3,650,775	2,014,883
Fire Marshal	3,004,002	3,072,077	3,369,134	2,484,518	2,698,514	2,889,075	3,164,295	4,736,858	5,076,746	5,326,911
Technology	1,673,354	1,684,270	2,392,347	3,169,623	6,249,759	5,785,745	8,319,336	10,090,697	-	-
Dispatch	-	-	-	-	-	-	-	-	3,095,996	3,164,907
Fleet maintenance	2,216,122	2,393,930	2,831,042	2,484,845	2,641,530	2,284,781	2,965,746	3,459,296	3,811,618	4,245,869
Wellness	-	-	-	-	-	-	-	-	3,824,884	4,406,038
Facilities maintenance	3,366,314	1,799,461	1,823,027	1,589,541	1,652,585	1,690,030	1,774,050	2,011,801	1,987,695	2,355,027
Debt Service										
Principal	4,038,731	86,305	46,093	-	-	-	-	-	-	-
Interest	190,200	5,344	1,885	-	-	-	-	-	-	-
Capital outlay	5,207,962	1,733,403	4,179,098	7,273,541	7,764,767	5,576,244	9,539,066	3,101,567	8,062,884	6,480,942
Total expenditures	61,727,243	53,236,536	59,615,852	64,844,891	70,111,157	72,211,939	100,251,191	126,634,911	141,795,298	145,355,198
Excess of revenue over (under) expenditures	-\$3,766,015	\$5,941,573	\$3,409,877	\$(5,221,983)	\$(7,930,353)	\$(8,350,110)	\$(10,288,774)	\$7,293,929	\$2,987,600	\$1,787,785
Other Financing Sources (Uses)										
Lease financing	-	-	-	-	-	-	-	-	-	2,041,002
Gain (loss) on sale of assets	2,000	82,755	3,704,112	164,852	47,236	71,745	1,392,020	162,270	133,988	589,411
Transfer from other funds	67,532,954	54,228,710	58,286,717	55,182,986	1,445,577	6,107,936	88,794,752	106,889,940	17,497,415	17,497,415
Transfer (to) other funds	(67,532,954)	(54,228,710)	(58,667,189)	(55,182,986)	(401,757)	-	(88,794,752)	(106,889,940)	(16,364,817)	(16,364,817)
Total other financing sources (uses)	2,000	82,755	3,323,640	164,852	1,091,056	6,179,681	1,392,020	162,270	1,266,586	3,763,011
Net change in fund balances	\$(3,766,015)	\$5,941,573	\$3,029,405	\$(5,221,983)	\$(6,839,297)	\$(2,170,429)	\$(8,896,754)	\$ 7,456,199	\$ 4,254,186	\$ 5,550,796
Debt service as a percentage of noncapital expenditures	8.1 %	0.2 %	0.1 %	—%	—%	—%	—%	—%	—%	—%

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

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

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
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
2021	114,866,725	9,420,319	124,287,044

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
2012	4,323,118,690	342,813,740	34,830,938,981	1,182,105,978	9.25	12.96 %	7.96 %
2013	4,367,442,344	377,636,430	35,498,753,463	1,302,186,194	9.25	12.89 %	7.96 %
2014	4,492,201,404	432,556,019	35,928,957,116	1,491,624,062	9.25	13.16 %	7.96 %
2015*	4,850,713,475	544,797,418	40,930,196,129	1,886,348,738	9.25	12.60 %	7.96 %
2016	5,663,707,647	585,259,348	48,575,497,159	2,033,871,376	9.25	12.35 %	7.96 %
2017	5,719,186,598	609,450,211	49,293,495,859	2,101,534,429	9.25	12.31 %	7.96 %
2018**	6,959,830,755	609,646,295	64,769,394,048	2,102,342,901	9.25	11.32 %	7.96 %
2019***	9,833,539,324	791,205,973	97,289,094,814	2,727,335,684	9.25	10.62 %	7.15 %
2020	12,050,269,207	896,312,573	120,934,573,594	3,091,455,902	9.25	10.44 %	7.15 %
2021	12,174,310,839	899,099,709	122,665,417,907	3,100,635,856	9.25	10.40 %	6.95 %

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

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

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

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

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

Source: Arapahoe, Douglas and Jefferson County Assessors

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

Government	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Cunningham Fire Protection District	—	—	—	—	—	—	14.603	14.600	9.250	—
Parker Fire Protection District	13.978	13.978	12.978	12.978	—	—	—	—	—	—
South Metro Fire Rescue	9.2500	9.2500	9.250	9.250	9.250	9.250	9.250	9.250	9.250	9.250
Cities and Towns										
City of Aurora	10.290	10.290	8.886	8.569	8.605	8.605	8.605	8.605	8.076	8.073
City of Centennial	5.129	5.073	5.015	5.030	5.026	2.087	5.003	5.002	5.033	5.033
City of Littleton	6.662	6.662	6.662	6.662	6.662	6.662	6.662	6.662	2.000	2.000
Town of Foxfield	20.400	20.400	20.400	20.400	20.400	20.400	4.982	4.982	4.982	4.982
Town of Parker	2.602	2.602	2.602	2.602	2.602	2.602	2.602	2.602	2.602	2.602
Counties										
Arapahoe County	17.150	17.130	16.950	14.856	14.039	14.039	13.301	11.685	11.685	12.013
Douglas County	19.774	19.774	19.774	19.774	18.774	24.274	24.274	24.274	24.274	24.274
Jefferson County	25.978	25.978	25.978	25.978	26.978	26.978	26.978	24.274	22.332	23.578
School Districts										
Cherry Creek School District #5	58.037	57.492	56.702	49.703	53.232	49.687	49.995	46.997	49.724	49.012
Douglas County School District	48.727	48.277	48.277	42.439	42.439	41.064	44.950	43.840	43.504	43.504
Littleton Public School	56.935	56.985	56.601	53.424	53.030	53.030	51.166	56.945	64.740	64.744
Jefferson County R-1 School District	48.720	50.620	50.370	50.170	47.490	45.940	42.878	49.410	47.070	48.105
Metropolitan Districts										
Canteberry Crossing Metropolitan District #2	38.500	38.500	38.500	38.500	35.000	35.000	38.500	33.000	33.000	33.000
Chaparral Metropolitan District	13.172	12.540	13.540	12.150	12.150	12.450	14.647	13.397	13.020	13.020
Cherry Creek South Metropolitan Districts #1-11	21.914	21.914	0.000	0.000	0.000	12.500	52.775	40.580	39.588	0.000
Columbia Metropolitan District	8.196	8.196	4.196	3.783	3.781	3.781	3.760	3.000	2.000	0.000
Concord Metropolitan District	29.000	23.000	23.000	20.500	16.500	14.500	11.000	7.000	7.000	7.000
Copperleaf Metropolitan District No. 2	64.000	64.000	64.000	57.000	57.000	58.016	57.165	56.569	30.823	30.823
Cottonwood Metropolitan District	8.800	8.800	8.800	8.800	8.800	8.800	8.800	8.800	8.800	8.800
East Arapahoe Metropolitan District	9.972	9.792	9.792	9.792	9.792	9.792	9.792	9.792	9.792	9.792
East Smoky Hill Metropolitan District #1	52.000	52.000	47.000	35.500	31.000	29.500	29.500	25.500	25.500	25.500
East Smoky Hill Metropolitan District #2	16.500	16.500	16.500	16.500	16.500	16.500	16.500	16.500	16.500	16.500
Goodman Metropolitan District	31.000	31.000	33.000	33.000	34.000	27.250	27.250	27.250	24.250	24.250
Highlands Ranch Metropolitan District	19.713	19.713	19.713	19.713	18.205	18.205	18.205	11.205	11.205	11.205
Inverness Metropolitan District	6.650	6.350	6.650	6.500	6.750	6.050	6.150	6.150	6.150	6.150
Lincoln Park Metropolitan District	55.000	59.000	52.000	49.500	49.500	49.500	51.500	51.710	51.721	51.721
Liverpool Metropolitan District	31.973	28.279	28.279	28.279	28.279	28.279	28.279	28.279	28.279	28.279
Meridian Metropolitan District	44.000	46.000	49.000	50.682	50.682	49.901	49.510	51.180	49.510	50.000
Parker Jordan Metropolitan District	23.000	21.500	21.000	20.633	20.633	19.633	19.633	19.633	19.630	19.633
Stonegate Village Metropolitan District	27.803	27.803	27.803	25.738	25.738	25.738	25.738	25.738	28.704	28.000
Tallgrass Metropolitan District	59.000	60.475	60.475	54.000	42.000	44.000	43.000	36.000	36.000	32.000
Tallgrass Metropolitan District Bonds Only	56.000	57.475	57.475	52.000	45.000	42.000	41.000	33.000	33.000	30.000
Willow Trace Metropolitan District	37.500	49.000	49.000	39.500	39.500	39.500	39.500	39.500	39.500	38.750
Other Special Districts										
Arapahoe County Recreation District	0.919	0.883	0.880	0.774	0.784	0.784	0.735	0.669	0.676	0.640
Arapahoe Library District	4.903	4.861	4.794	5.916	5.926	5.926	5.813	5.799	5.810	5.810
Arapahoe Park & Recreation District	8.000	8.000	8.000	6.882	6.882	6.595	6.533	6.170	6.140	6.140
Arapahoe Water & Wastewater District	23.250	23.250	22.950	19.300	19.300	18.200	14.400	12.575	12.000	10.500
Cottonwood Water & Sanitation District	27.000	27.000	27.000	23.000	19.000	16.000	14.500	14.000	13.500	12.500
Douglas County Library District	4.068	4.029	4.032	4.035	4.035	4.016	4.008	4.023	4.012	4.012
East Cherry Creek Valley Water & Sanitation Dist.	5.014	5.008	4.983	4.220	0.000	7.523	4.644	4.075	4.337	0.000
Inverness Water & Sanitation District	8.350	7.800	6.450	6.100	5.230	4.750	4.750	4.750	4.500	4.500
Parker Water and Sanitation District	9.727	9.727	9.727	8.652	8.652	7.500	9.507	9.507	8.404	8.403
Urban Drainage and Flood Control District	0.599	0.608	0.632	0.553	0.611	0.620	0.726	0.900	0.900	1.000
Urban Drainage and Flood Control Dist. South Platte	0.058	0.064	0.068	0.058	0.061	0.057	0.094	0.097	0.900	0.900
Authorities										
Cherry Creek Basin Authority	0.500	0.500	0.500	0.449	0.473	0.473	0.479	0.451	0.478	0.479
Arapahoe County Law Enforcement Authority	4.982	4.982	4.982	4.982	4.982	4.982	4.982	4.982	4.982	4.982

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	2021			2012		
	Assessed Value	Rank	Per Cent of Total Assessed Value	Assessed Value	Rank	Per Cent of Total Assessed Value
Park Meadows Mall	103,216,540	1	0.73%	\$ 10,936,710	8	0.33 %
HCA Healthone LLC	87,160,000	2	0.62%			
Catholic Health Initiatives	67,784,570	3	0.48%			
Martin Marietta Corp	67,498,350	4	0.48%			
Granite Place LLC	37,578,780	5	0.27%			
Portercare Adventist Health System	35,027,130	6	0.25%			
6340 Fiddlers Green Circle LP	33,938,410	7	0.24%			
CS Lone Tree LLC	33,659,910	8	0.24%			
Greenwood Property Corp	33,495,000	9	0.24%			
Prime US-Village Center Station II LLC	33,264,160	10	0.24%			
Greenwood Property Corp				28,420,000	1	0.87 %
GPI Plaza Tower				18,415,000	2	0.56 %
IKEA				12,180,000	3	0.37%
Wild Blue Communications				11,630,380	4	0.36 %
Liberty Property Holdings Inc				10,950,090	5	0.35 %
Palazzo Verdi LLC				11,507,470	6	0.35 %
5251 DTC Parkway LLC				11,223,000	7	0.34 %
CSHV Denver Tech Center LLC				10,730,010	9	0.33 %
CREF Tuscany Plaza LLC				10,440,000	10	0.32 %
	\$ 532,622,850		3.79 %	\$ 303,592,320		3.53 %

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
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	51,944,348	51,898,770	99.91 %	(214,174)	51,684,596	99.50 %	125,705	0.242 %
2016	54,129,916	53,737,957	99.28 %	(13,654)	53,724,302	99.25 %	31,830	0.059 %
2017	54,235,662	54,128,981	99.80 %	(59,116)	54,069,865	99.69 %	335,944	0.619 %
2018	72,172,841	71,765,691	99.44 %	10,011	71,775,702	99.45 %	275,428	0.382 %
2019	97,531,612	97,206,003	99.67 %	(138,940)	97,067,063	99.52 %	657,420	0.674 %
2020	114,041,893	113,457,721	99.49 %	(121,646)	113,336,075	99.38 %	677,768	0.594 %
2021	115,446,511	114,866,725	99.50 %	(129,244)	114,737,481	99.39 %	944,418	0.818 %

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			
2012	\$ —	\$ 132,398	\$ —	\$ —	\$ 132,398	\$ 0.65
2013	—	46,093	—	—	46,093	0.23
2014	—	—	—	—	—	—
2015	—	—	—	—	—	—
2016	—	—	—	—	—	—
2017	—	—	—	—	—	—
2018	—	—	—	—	—	—
2019	—	—	—	—	—	—
2020	—	—	—	—	—	—
2021	—	—	—	—	—	—

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, 2021**

	Net Debt Outstanding	Percentage Applicable to District*	Amount Applicable to District
DIRECT:			
South Metro Fire Rescue	—	100 %	—
OVERLAPPING:			
Arapahoe Park and Rec	\$ 1,404,000	50 %	\$ 702,000
Arapahoe County Water and Wastewater PID	124,001,951	50 %	62,000,976
Cherry Creek Schools	636,445,000	85 %	540,978,250
Cherry Creek Vista Park & Rec District	6,512,000	50 %	3,256,000
Copperleaf Metropolitan District No. 2	28,940,000	35 %	10,129,000
Cottonwood Water and Sanitation	8,473,338	100 %	8,473,338
Country Homes Metro District	55,000	100 %	55,000
Douglas County School	382,950,000	50 %	191,475,000
Dove Valley Metropolitan District	37,880,000	100 %	37,880,000
Eagle Bend Metropolitan District	24,680,000	100 %	24,680,000
East Smoky Hill Metropolitan District No. 1	2,820,000	100 %	2,820,000
East Smoky Hill Metropolitan District No. 2	3,870,000	100 %	3,870,000
East Valley Metropolitan District	220,921	100 %	220,921
Estancia Metropolitan District	4,020,000	100 %	4,020,000
Fiddler's Business Improvement District	55,450,500	100 %	55,450,500
Hills at Cherry Creek Metro District	1,280,000	100 %	1,280,000
Inverness Metropolitan District	630,000	100 %	630,000
Inverness Water and Sanitation	4,314,590	100 %	4,314,590
Lincoln Park Metropolitan District	46,812,711	100 %	46,812,711
Littleton School District	397,556,195	5 %	19,877,810
Meridian Metropolitan District	82,573,000	100 %	82,573,000
Panorama Metropolitan District	1,600,000	100 %	1,600,000
Parker Water & Sanitation District	198,367,035	100 %	198,367,035
Piney Creek Village Metropolitan District	4,755,000	14 %	665,700
Saddle Rock Metropolitan District	5,725,000	100 %	5,725,000
Saddle Rock South Metro Districts	11,625,000	100 %	11,625,000
South Meridian Metropolitan District	3,990,000	100 %	3,990,000
South Suburban Parks and Recreation District	37,880,000	20 %	7,576,000
Sundance Hill Metropolitan District	2,200,000	100 %	2,200,000
Southeast Public Improvement	2,194,500	100 %	2,194,500
Stonegate Village Metropolitan District	43,000,000	100 %	43,000,000
Tallgrass Metropolitan District	13,685,000	100 %	13,685,000
Tallyn's Reach Metropolitan Districts	43,560,000	25 %	10,890,000
Valley Club Pointe Metro District	7,965,000	100 %	7,965,000
Willow Trace Metropolitan District	7,590,000	100 %	7,590,000
Total Overlapping Debt	<u>\$ 2,235,025,741</u>		<u>\$ 1,418,572,330</u>
Total Direct & Overlapping Debt			<u>\$ 1,418,572,330</u>

(continued)

South Metro Fire Rescue Fire Protection District
Direct and Overlapping Governmental Activities Debt
As of December 31, 2021
(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				
	2012	2013	2014	2015	2016
Total Assessed Value	\$ 4,711,414,729	\$ 4,723,283,371	\$ 4,920,392,972	\$ 4,971,618,704	\$ 5,760,702,401
Debt Limit - 50% of total assessed value (1)	2,355,707,365	2,361,641,686	2,460,196,486	2,485,809,352	2,880,351,201
Amount of debt applicable to debt limit	-	-	-	-	-
Less amount available for debt service	-	-	-	-	-
Net amount of debt applicable to debt limit	-	-	-	-	-
Legal debt margin	<u>\$ 2,355,707,365</u>	<u>\$ 2,361,641,686</u>	<u>\$ 2,460,196,486</u>	<u>\$ 2,485,809,352</u>	<u>\$ 2,880,351,201</u>

	Fiscal Year				
	2017	2018	2019	2020	2021
Total Assessed Value	\$ 5,837,254,988	\$ 7,823,668,573	\$ 12,387,082,905	\$ 12,986,634,357	\$ 14,061,183,368
Debt Limit - 50% of total assessed value (1)	2,918,627,494	3,911,834,287	6,193,541,453	6,493,317,179	7,030,591,684
Amount of debt applicable to debt limit	-	-	-	-	-
Less amount available for debt service	-	-	-	-	-
Net amount of debt applicable to debt limit	-	-	-	-	-
Legal debt margin	<u>\$ 2,918,627,494</u>	<u>\$ 3,911,834,287</u>	<u>\$ 6,193,541,453</u>	<u>\$ 6,493,317,179</u>	<u>\$ 7,030,591,684</u>

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

(1) Colorado Revised Statutes.

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

Fiscal Year	Population	Per Capita Income (1)	Median Age	Education Level (2)	School Enrollment (3)	Unemployment Rate
2012	298,698	\$ 60,575	36.6	54.6 %	63,934	6.20 %
2013	306,232	\$ 62,493	36.6	54.6 %	66,000	5.60 %
2014	314,574	\$ 66,088	36.5	55.8 %	67,000	3.40 %
2015	321,964	\$ 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	362,954	\$ 78,455	39.8	58.4 %	67,591	2.80 %
2020	357,978	\$ 78,980	40.1	58.6 %	67,305	6.30 %
2021	368,990	N/A	40.4	N/A	N/A	2.70 %

(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
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	653,143	\$ 64,477	37.4	42.8 %	55,839	2.30 %
2020	655,070	\$ 66,691	37.8	43.4 %	56,228	7.20 %
2021	654,900	N/A	38.3	N/A	N/A	3.90 %

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

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

(3) Cherry Creek School District

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

**South Metro Fire Rescue Fire Protection District
Principal Employers
December 31, 2021**

	2021		2012	
	Employees	Rank	Employees	Rank
Lockheed Martin Corporation	7,540	1		
Comcast	5,590	2		
Charles Schwab	4,470	3		
HealthONE	3,970	4		
Charter Communications	3,800	5		
Centura Health: Corporate Headquarters & Littleton Adventist Hospital	2,810	6	3,096	4
UnitedHealthcare	2,770	7		
Ball Corporation	2,740	8		
Empower Retirement	2,680	9		
Raytheon Company	2,510	10		
Catholic Health Initiatives			8,000	1
Dish Network Corporation			6,500	2
Western Union Fincl Svcs Inc			3,200	3
Advantedge Business Group LLC			1,500	5
Jeppesen Sanderson Inc			1,400	6
IHS Global			1,400	7
Arrow Electronics Inc			800	8
Blockbuster LLC			750	9
Honeywell International			673	10
	38,880		27,319	

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Field Operations	291.00	284.00	288.00	279.00	302.00	332.00	401.00	608.00	641.00	596.00
Administration	21.00	20.00	20.00	32.00	34.00	35.00	71.00	77.00	80.00	78.00
Fire Marshal	26.00	24.00	17.00	19.00	23.00	28.00	34.00	28.00	30.00	34.00
Fleet Services	11.00	11.00	11.00	10.00	10.00	12.00	14.00	13.00	15.00	13.00
Ambulance *	20.00	20.00	19.00	19.00	22.00	-	-	-	-	-
Total FTE	369.00	359.00	355.00	359.00	390.75	407.00	520.00	726.00	766.00	721.00

Source: South Metro Fire Rescue Fire Protection District Finance Department

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

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Field Operations (in & out of district)										
Fire Calls	352	381	312	382	443	458	587	713	1,032	793
Emergency Medical Calls	10,131	10,457	11,322	11,458	11,552	12,139	16,375	27,810	26,620	30,299
Alarms	2,272	2,452	2,451	2,325	2,187	2,179	2,837	4,355	4,039	4,380
Others	4,259	4,514	1,873	1,766	1,751	1,442	2,324	3,079	2,915	3,162
Number of hours of firefighter training	45,311	58,910	56,914	65,664	80,035	52,472	51,545	104,236	115,378	109,276
Hours of officer trainings	8,750	8,954	7,443	7,222	5,770	3,761	2,403	16,593	20,614	17,699
Hours of driver/operator trainings	4,471	2,540	681	4,416	3,698	2,035	3,698	11,834	13,464	18,932
Support Services										
Square footage of building maintained	349,091	349,091	320,084	320,084	320,084	320,084	387,846	452,385	460,805	460,805
Life Safety Bureau & Preparedness										
Fire Investigations	267	281	301	286	330	310	474	600	185	129
Plan Reviews	3,662	4,400	4,872	4,877	3,517	4,189	5,879	6,215	5,050	5,709
Construction Inspections	4,973	5,703	7,038	6,772	3,799	5,568	6,502	6,183	5,662	5,994
Business Inspections	5,548	4,218	3,932	2,916	-	3,158	4,308	4,324	5,372	6,032
South Metro Safety Foundation Classes	91	101	92	91	122	163	165	287	84	143
Car seat checks	397	502	386	269	366	326	309	432	422	498
Apparatus/Crew resident attended	25,143	-	26,270	-	-	-	-	-	-	-
Prevention staff community/school students	11,324	13,256	30,857	-	-	9,847	37,748	44,641	12,116	38,841
Youth firesetter intervention	34	8	21	16	-	46	21	22	1	18
Fleet Services										
Total number of warranty repairs	28	68	37	62	28	13	44	12	25	23
Total billable shop labor hours	10,393	9,698	9,575	8,574	8,843	9,865	9,939	11,185	8,546	10,375
Shop productivity rate	80.3 %	75.0 %	74.0 %	71.4 %	83.5 %	85.5 %	84.56 %	90.2 %	98. %	70. %
Total number of repairs	3,273	2,984	2,854	2,501	2,911	3,198	3,153	3,868	4,252	6,378
Ambulance										
EMS Transports (in district only)	6,852	7,089	7,347	7,430	6,226	7,350	9,748	18,590	17,792	20,467
% of Transports to Castle Rock Adventist	-	-	-	-	-	-	1.16%	0.57%	0.53%	0.85%
% of Transports to Centennial Health	-	-	-	-	-	-	0.78%	0.77%	0.83%	2.06%
% of Transports to Childrens Hospital	-	-	-	-	-	-	1.06%	1.91%	1.56%	2.25%
% of Transports to Littleton Hospital	16.76 %	15.93 %	13.03 %	10.42 %	5.00 %	5.05 %	2.42%	30.48%	27.87%	25.50%
% of Transports to Medical Center of Aurora	-	-	-	-	-	-	11.27%	5.96%	5.45%	5.20%
% of Transports to Parker Adventist Hospital	28.75 %	27.78 %	27.85 %	30.86 %	34.00 %	36.65 %	33.78%	17.86%	18.96%	16.69%
% of Transports to Porter Adventist Hospital	1.07 %	1.58 %	1.18 %	1.20 %	1.00 %	1.05 %	0.97%	0.59%	0.62%	0.62%
% of Transports to Rose Medical Center	-	-	-	-	-	-	0.41%	0.32%	0.26%	0.36%
% of Transports to Skyridge Medical Center	39.25 %	41.02 %	43.42 %	43.42 %	47.00 %	52.73 %	40.88%	29.37%	27.79%	26.70%
% of Transports to Southlands Medical	-	-	-	-	-	-	1.14%	0.65%	0.70%	0.81%
% of Transport to Swedish Medical Center	11.10 %	10.07 %	9.21 %	7.50 %	7.00 %	5.81 %	3.81%	6.79%	6.27%	6.34%
% of Transport to UC Health	-	-	-	-	-	-	-	4.21%	8.69%	11.96%
% of Transports to University Hospital	-	-	-	-	-	-	1.42%	0.21%	0.09%	0.16%
% of Transports to All Others	-	-	-	-	-	-	0.90%	0.32%	0.38%	0.51%
Collection Rate	54.90 %	53.94 %	54.14 %	55.73 %	52.71 %	51.99 %	72.00%	76.00%	72.00%	71.00%

Source: South Metro Fire Rescue Fire Protection District various departments

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Field Operations										
Fire Stations	17	17	17	17	17	17	20	29	30	30
Communication towers	4	4	4	4	4	4	4	4	4	4
Training facility	1	1	1	1	1	1	1	1	1	1
Driving facility	1	1	1	1	1	1	1	1	1	1
Engines	18	19	19	19	18	23	33	32	32	30
Tenders	5	6	6	6	6	6	8	6	6	6
Quints	2	2	1	1	1	-	-	-	-	-
Squirts	2	-	-	-	-	-	2	-	-	-
Aerials	5	6	5	5	7	7	9	9	9	9
ARFF vehicles	3	2	2	2	3	3	3	3	3	3
Chief/Staff vehicles	15	15	15	15	15	16	20	18	17	9
BC Vehicles	6	6	6	6	9	8	14	13	13	12
Wildland vehicles	12	12	12	12	18	19	23	23	20	20
Hazmat vehicles	1	2	2	2	2	2	3	3	3	1
Utility vehicle	1	1	1	1	1	1	1	-	-	2
Snow Cat	1	1	1	1	1	1	1	1	1	1
Dive Unit	1	1	1	1	1	1	2	2	2	2
Watercraft	1	1	1	1	1	1	1	1	1	1
Heavy Rescue	2	2	1	1	3	2	7	4	4	4
Tow Vehicles	2	2	2	2	2	2	2	1	1	1
Command vehicle	1	1	1	1	1	1	1	1	-	-
Plow/Ladder testing truck	1	1	1	1	1	1	4	2	6	5
Trailers	5	5	15	15	15	20	27	28	27	27
Support Services										
Headquarters buildings	2	2	1	1	1	1	1	1	1	1
Pool vehicles	1	-	1	1	1	1	1	-	3	3
Chief/Staff vehicles	5	5	5	5	5	20	22	39	40	40
Storage locations	2	2	1	1	1	2	2	2	2	2
Fire Marshal										
Pool vehicles	31	4	2	2	2	1	1	3	3	3
Assigned vehicles	-	21	22	22	22	22	25	25	27	24
Fleet Services										
Repair shop	1	1	1	1	1	1	1	1	1	1
Repair vehicles	2	2	2	2	2	3	2	2	2	2
Parts vehicles	3	3	3	3	3	1	1	1	0	0
Pool vehicles	7	11	7	7	7	5	2	2	2	0
IMT Vehicle	1	1	1	1	1	1	3	0	0	0
Lift	1	2	2	2	2	1	9	13	13	12
Overhead crane	-	1	1	1	1	1	1	1	1	1
Ambulance										
Medic units	17	17	17	17	18	22	27	25	28	25
ARM vehicle	-	1	1	1	1	1	1	1	2	2

Source: South Metro Fire Rescue Fire Protection District various departments