

Annual Comprehensive Financial Report

For the Fiscal Year Ended December 31, 2023



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, 2023**

**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, 2023

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Letter of Transmittal	1 - 6
Certificate of Achievement Award	7
Organizational Chart	8
List of Principal Officials	9
FINANCIAL SECTION	
Independent Auditor's Report	10- 13
Management's Discussion and Analysis	14-24
Basic Financial Statements	25
Government-wide Financial Statements	
Statement of Net Position	26
Statement of Activities	27
Fund Financial Statements	
Balance Sheet – Governmental Funds	28
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	29
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	30
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	31
Statement of Net Position – Proprietary Funds	32
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	33
Statement of Cash Flows -Proprietary Fund	34
Notes to Financial Statements	35
REQUIRED SUPPLEMENTAL INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balances	
Budget and Actual – General Fund	87
Schedule of Changes in Net Pension Liability/(Asset) and Related Ratios	
Parker Fire Protection District Volunteer Pension Plan	88
South Metro Fire Rescue Volunteer Pension Plan	89
Cherry Hills Old Hire Plan	90
Schedule of Changes in Net OPEB Liability and Related Ratios – Retiree Health Savings Plan	91
Schedule of the District's Proportionate Share of the Net Pension Liability/(Asset)	
South Metro Fire Rescue FPPA Plan – Statewide Defined Benefit Plan	92
South Metro Fire Rescue FPPA Plan – Statewide Hybrid Plan	93
Schedule of Contributions Multiyear	
Parker Fire Protection District Volunteer Pension Plan	94
South Metro Fire Rescue Volunteer Pension Plan	95
Cherry Hills Old Hire Plan	96
South Metro Fire Rescue FPPA Plan – Statewide Defined Benefit Plan	97
South Metro Fire Rescue FPPA Plan – Statewide Hybrid Plan	98
Notes to Required Supplementary Information	99

SUPPLEMENTARY INFORMATION

General Fund

Comparative Statement of Revenues, Expenditures and Changes in Fund Balances 103

Special Revenue Fund - Cherry Hills Property Tax – Special Revenue Fund

Comparative Statement of Revenues, Expenditures and Changes in Fund Balances 104

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget to Actual 105

Capital Projects Fund

Comparative Statement of Revenues, Expenditures and Changes in Fund Balances 106

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual 107

Building Rental Fund

Schedule of Revenues, Expenditures and Changes in Funds Available

Budgetary Basis with Non-GAAP to GAAP Basis 108

STATISTICAL SECTION

Financial Trends:

Net Position by Component 110

Changes in Net Position 111

Fund Balances, Governmental Funds 112

Changes in Fund Balances, Governmental Funds 113

Revenue Capacity:

Tax Revenues by Source, Governmental Funds 114

Assessed Value and Estimated Actual Value of Taxable Property 115

Direct and Overlapping Property Tax Rates 116

Principal Property Taxpayers 117

Property Tax Levies and Collections 118

Debt Capacity:

Ratios of Outstanding Debt by Type 119

Direct and Overlapping Governmental Activities Debt 120

Legal Debt Margin Information 121

Demographic and Economic Statistics:

Demographic and Economic Statistics 122

Principal Employers 124

Operating Information:

Full-time Equivalent District Government Employees by Function/Program 125

Operating Indicators by Function/Program 126

Capital Asset Statistics by Function/Program 127

SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT



June 21, 2024

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

State law requires that all special districts with revenues in excess of \$500,000 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, 2023.

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

South Metro Fire Rescue Fire Protection District's financial statements have been audited by FORVIS Mazars, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of South Metro Fire Rescue Fire Protection District for the fiscal year ended December 31, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management;

and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering unmodified opinions, that South Metro Fire Rescue Fire Protection District's financial statements for the fiscal year ended December 31, 2023, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Government

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

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

The District is governed, pursuant to provisions of the Colorado Special District Act, by a seven-member Board of Directors. The District's Fire Chief has all powers and authorities

provided for a fire chief under §32-1-1002, C.R.S., and oversees and manages all business and affairs of the District including the operation, maintenance, management, administration, and provision of all facilities, improvements, equipment, services and personnel.

The District's service area is located in Douglas, Arapahoe and Jefferson Counties, Colorado. The District was established to provide fire protection and emergency medical services. The District's service area includes 287 square miles and overlaps the cities and communities of Aurora, Bow Mar, Castle Pines, Castle Pines Village, Centennial, Cherry Hills Village, Columbine Valley, Foxfield, Greenwood Village, Highlands Ranch, Lakewood, Louviers, Littleton, Lone Tree, and Parker, as well as some unincorporated areas in Douglas, Arapahoe and Jefferson counties. It includes the business parks of Meridian and Inverness, the Denver Tech Center, Centennial Airport, Park Meadows Mall, and the campus of Lockheed Martin.

The District currently serves approximately 564,000 residents in Douglas, Arapahoe and Jefferson Counties and protects approximately 213,000 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 599,000.

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

Local Economy

Overview

Colorado's local economy remains stable. Inflation has slowed significantly since the historic surge in 2022 but is dissipating slower than the national average affecting the cost of living and purchasing power. In the Denver metro area inflation declined to 4.5% as of November 2023 compared to the national average of 3.1%.

Labor Market

The labor markets in Colorado and across the nation are showing signs of a slowdown. Job growth has decelerated, wage increases have been nominal, and unemployment rates are gradually rising. This trend aligns with the expected impact of restrictive monetary policies designed to temper economic activity. Despite a decreasing labor force, Colorado's

unemployment rate has continued to climb, reaching 3.8% in December 2023. Specifically, in the District's counties, the unemployment rates were 3.0% in Douglas County, 3.2% in Arapahoe County, and 3.1% in Jefferson County, all lower than the state and national averages of 3.3% and 3.5%, respectively.

Housing Market

After peaking in mid-2022, home prices initially declined before stabilizing, with a modest year-over-year increase of 0.7% in the Denver metro area for 2023. The rise in interest rates since early 2022 has impacted home prices and sales across Colorado, with the average interest rate for a new 30-year mortgage peaking at 7.6% in October 2023 before settling at 6.8% by year-end. Despite these challenges, it is anticipated that Colorado home values will stabilize into 2024. Despite ongoing housing demand, construction within the District's boundaries has declined, influenced by economic volatility and risk of recession.

Property Valuation and Taxation

Over the last decade, the assessed valuation of the District has grown significantly due to soaring real estate values across the Denver metro area. In 2022, housing values reached an all-time high, but efforts by the Colorado legislature to moderate property tax increases for citizens and business owners, have led to a reduction in assessment rates. The average growth in assessed valuation over the last five years has been 14.2%. However, the 2023 budget year saw a 0.6% decrease compared to the previous year, primarily due to a decline in the residential assessment rate, which decreased from 7.15% to 6.80% for multi-family homes and to 6.95% for all other residential properties.

Income and Education

Per capita income for the District's counties is notably higher than both the state and national averages. Douglas County boasts a per capita income of \$99,168, Arapahoe County \$76,304, and Jefferson County \$80,367, compared to the Colorado average of \$78,918 and the national average of \$69,408. The education level of the population within the District is also higher, with 52.5% having a college degree, exceeding both the state and national averages.

Economic Outlook

The local economy is expected to navigate through current challenges with cautious optimism. While inflation and labor market dynamics present hurdles, the stabilization of home prices and a robust per capita income provide a strong foundation for future growth. The District remains committed to monitoring these economic indicators closely and adapting its financial strategies to ensure continued fiscal health and service excellence.

Long-Term Financial Planning and Relevant Policies

The District consistently develops long-term financial plans to ensure it remains financially stable. To keep up with economic conditions, we project revenues, expenses, and capital improvements for the next ten years, updating the forecast annually as part of the budget process.

Maintaining adequate reserves is a key financial management practice. Our policies require a 3% TABOR reserve as required by state law, a 20% operating reserve, and a capital project reserve to cover expenses outlined in the District's planning documents. District policy also mandates a minimum transfer from the General Fund to the Capital Projects Fund to support capital improvements according to our Capital Improvement Plan. Additionally, we ensure our self-insurance fund has sufficient reserves to cover cash flow needs, unexpected claims, and stabilized premiums.

Major Initiatives

Guided by our Strategic Plan, the District continues to implement major initiatives. In 2024, the District is poised to reach its long-term goal of increasing firefighting staffing levels to four firefighters per engine. We also implemented an EMS rank structure that aligns paramedic officers' ranks, roles, and responsibilities with those of suppression officers, enhancing level of service we provide to our community.

Additionally, the District continues to execute on its aggressive capital improvement plan. We are replacing apparatus and critical equipment, considering extended lead times caused by part shortages, manufacturing delays, and increased post-pandemic demand. The District's facilities also remain a top priority. Station 15 is being redesigned and rebuilt, with construction set to be completed by the end of 2024. Various other stations throughout the District will undergo preventative maintenance and remodels to ensure facilities remain in good operating condition. Additionally, the District is also planning on an organization-wide replacement for all cardiac monitors to maintain top quality service.

Budget Process

The District's annual budget process begins with updating the long-term financial plan, projecting revenues and expenses, and planning for apparatus and equipment replacement, new construction, and station improvements. This plan outlines the District's goals and priorities and forms the foundation for the annual budget.

The budget development process begins each summer, with divisions submitting their expenditure requests and with justifications. The Finance Division and Executive Team review and prioritize these requests, and the Finance Division prepares the proposed budget. By October 15, the budget is presented to the Board of Directors as required by law. The Board holds a public budget hearing and adopts the final budget by December 31. The mill levy is certified to the County Commissioners by December 15. Any revisions to the budget appropriations must be approved through a resolution by the Board of Directors.

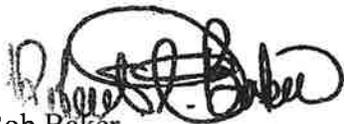
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for the annual comprehensive financial report for the fiscal year ended December 31, 2022. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Bob Baker
Fire Chief



Dillon Miskimins
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

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

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

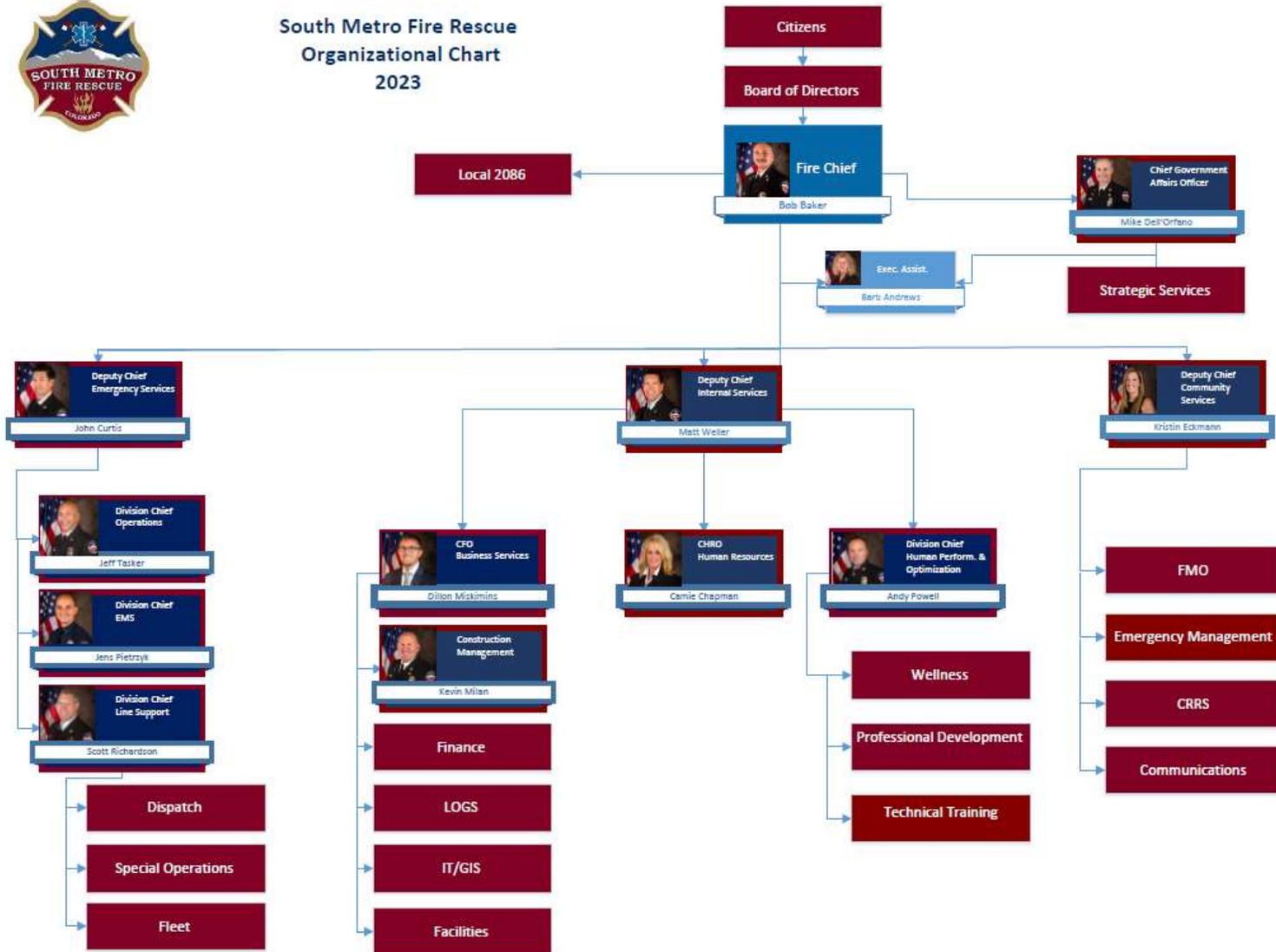
December 31, 2022

Christopher P. Morill

Executive Director/CEO



South Metro Fire Rescue Organizational Chart 2023



GOVERNANCE

As of December 31, 2023

Elected Officials, Board of Directors

Jim Albee, Chair

Renee Anderson, Vice Chair

Rich Sokol, Treasurer

Sue Roche, Secretary

Kevin Leung, Director

Bruce Stahlman, Director

Bill Shriver, Director

Executive Team

Bob Baker, Fire Chief

John Curtis, Deputy Chief of Emergency Services

Kristin Eckmann, Deputy Chief of Community Services

Matt Weller, Deputy Chief of Internal Services

Camie Chapman, Human Resources Director

Mike Dell'Orfano, Chief Government Affairs Officer

Dillon Miskimins, Chief Financial Officer

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the South Metro Fire Rescue Fire Protection District (the District), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the South Metro Fire Rescue Fire Protection District, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of a Matter

As discussed in Note 1 to the financial statements, effective January 1, 2023, the District adopted GASB Statement Number 96, *Subscription-Based Information Technology Arrangements (GASB 96)*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit for the year ended December 31, 2023 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The comparative fund financial statements and other schedules for the year ended December 31, 2023 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2023 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the comparative fund financial statements and other schedules is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2023.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the District as of and for the year ended December 31, 2022 (not presented herein), and have issued our report thereon dated June 28, 2023 which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. The comparative fund financial statements and other schedules for the year ended December 31, 2022 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2022 financial statements. The information was subjected to the audit procedures applied in the audit of the 2022 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the comparative fund financial statements and other schedules is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2022.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Forvis Mazars, LLP

**Denver, Colorado
June 21, 2024**

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, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages one through six of this report.

Financial Highlights

- The total assets and deferred outflows of South Metro Fire Rescue exceeded its liabilities and deferred inflows of resources by \$130,476,430. Of this amount \$39,544,590 may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position decreased by \$1,072,936. The decrease is partly attributed to the FPPA net pension asset in 2022 transitioning to a net pension liability in 2023.
- The District's total liabilities and deferred inflows of resources are \$203,600,194. This is \$26,192,740 or 14.8% increase from 2022, primarily due to increases in deferred property tax revenue, which is expected to be collected next year.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$62,372,829.

Overview of the Financial Statements

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

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

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

Please note that 2022 amounts have not been restated in this Management's Discussion and Analysis for the implementation of GASB 96.

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

The statement of net position presents information on all of the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

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

The government-wide financial statements can be found on pages 26 - 27 of this report.

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

- governmental funds
- proprietary funds

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflow and outflows of spendable resources, as well as on

balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The District maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Fund, and the Cherry Hills Property Tax Special Revenue Fund. The General Fund and Capital Projects Fund are considered to be major funds, while the Cherry Hills Property Tax Special Revenue Fund is considered to be a non-major fund.

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

The basic governmental fund financial statements can be found on pages 28 – 31 of this report.

Proprietary Funds. The District maintained two proprietary funds in 2023 which are the Building Rental Enterprise Fund and the Self-Insured Internal Service Fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses an enterprise fund to account for and capture rental income, common area maintenance costs and items that relate to the maintenance of the administrative building. The Self-Insured Internal Service Fund is created for the benefit of employees as it collects the medical premiums to pay medical claims of the insured, stop loss insurance and administration fees.

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

The basic proprietary fund financial statements can be found on pages 32-33 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 35-85 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required and other supplementary information concerning the South Metro Fire Rescue Fire Protection District's financial and operational activity. This supplementary information and individual fund statements and schedules can be found on page 87-108 of this report.

Government-Wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of the government's financial position. In the case of South Metro Fire Rescue Fire Protection District, assets exceeded liabilities by \$130,476,430 at the close of the most recent fiscal year.

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

	Governmental Activities 2023	Business-Type Activities 2023	Total 2023	Governmental Activities 2022	Business-Type Activities 2022	Total 2022
Current and other assets	\$ 226,908,229	\$ 2,274,034	\$229,182,263	\$ 212,105,519	\$ 2,752,999	\$214,858,518
Capital and lease assets, net	82,132,186	5,347,107	87,479,293	78,270,022	5,654,670	83,924,692
Total assets	309,040,415	7,621,141	316,661,556	290,375,541	8,407,669	298,783,210
Total deferred outflows of resources	17,415,068	—	17,415,068	10,173,610	—	10,173,610
Current and other liabilities	12,221,587	36,353	12,257,940	11,656,216	27,847	11,684,063
Noncurrent and other liabilities	33,447,603	—	33,447,603	26,560,879	—	26,560,879
Total liabilities	45,669,190	36,353	45,705,543	38,217,095	27,847	38,244,942
Total deferred inflows of resources	156,121,510	1,773,141	157,894,651	136,920,566	2,241,946	139,162,512
Net position:						
Net investments in capital assets	77,571,659	5,347,107	82,918,766	74,406,518	5,654,670	80,061,188
Restricted	8,013,074	—	8,013,074	22,002,083	—	22,002,083
Unrestricted	39,080,050	464,540	39,544,590	29,002,889	483,206	29,486,095
Total net position	\$ 124,664,783	\$ 5,811,647	\$130,476,430	\$ 125,411,490	\$ 6,137,876	\$131,549,366

At the end of the current fiscal year, the District is able to report a positive balance in all categories of net position, both for the government as a whole as well as for its business-type activities. The District's net position decreased by \$1,072,936 during the current fiscal year. The decrease is partly attributed to the FPPA net pension asset in 2022 transitioning to a net pension liability in 2023.

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 \$4,823,573 as of December 31, 2023.

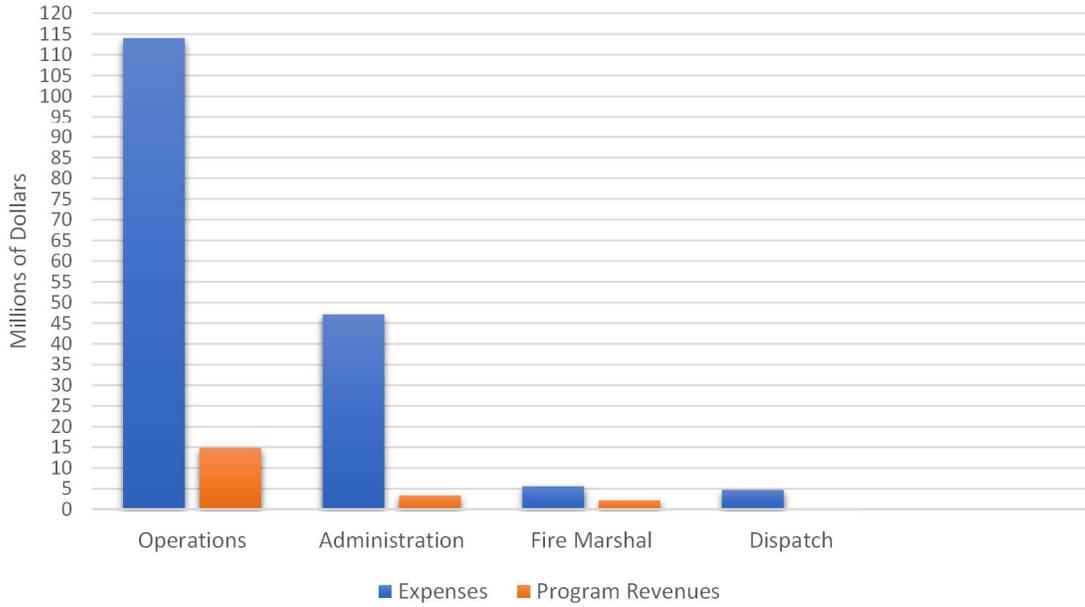
Governmental Activities. Governmental activities decreased South Metro Fire Rescue Fire Protection District's net position by \$746,707. Key elements of this decrease are as follows:

- Revenues ended the year at \$170.7 million, showing an increase of \$7.7 million over prior year. This is associated with the increased charges for services of transports, operating and capital grants/contributions, and intergovernmental and other reimbursements. The rise in charges for transportation services is attributed to a 5.5% uptick in the volume of transports compared to the previous year, coupled with a rise in the base fee per transport from \$1,270 in 2022 to \$1,334 in 2023.
- Expenses ended the year at \$171.4 million, showing a decrease by \$5.7 million over prior year. This decrease is related to a one-time OPEB RHS expense adjustment of \$17 million that occurred in 2022. The operational costs increase in 2023 is attributed to market adjustments to current salaries, increases in benefit costs, and a rise in costs of goods and services due to inflation.

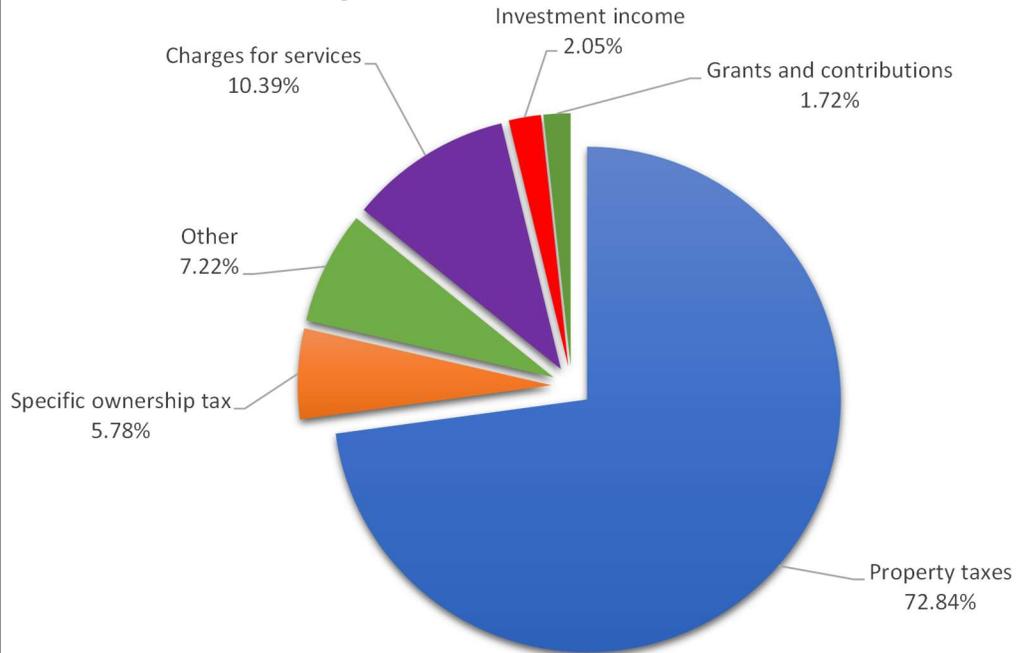
South Metro Fire Rescue Fire Protection District
Changes in Net Position

	Governmental Activities 2023	Business-Type Activities 2023	Total 2023	Governmental Activities 2022	Business-Type Activities 2022	Total 2022
Revenues:						
Program revenues:						
Charges for services	\$ 17,739,579	\$ —	\$ 17,739,579	\$ 17,789,098	\$ —	\$ 17,789,098
Operating Grants and Contributions	1,243,490	639,111	1,882,601	167,080	765,319	932,399
Capital Grants and Contributions	1,695,000	—	1,695,000	—	—	—
General revenues:						
Property and other taxes	134,170,832	—	134,170,832	134,798,924	—	134,798,924
Other income	15,823,529	—	15,823,529	10,190,031	—	10,190,031
Total revenues	170,672,430	639,111	171,311,541	162,945,133	765,319	163,710,452
Expenses:						
Operations	114,026,891	—	114,026,891	123,401,598	—	123,401,598
Administration	47,068,391	—	47,068,391	44,255,426	—	44,255,426
Fire Marshal	5,665,557	—	5,665,557	5,513,590	—	5,513,590
Dispatch	4,658,298	—	4,658,298	3,944,869	—	3,944,869
Rental building	—	965,340	965,340	—	1,020,870	1,020,870
Total expenses	171,419,137	965,340	172,384,477	177,115,483	1,020,870	178,136,353
Transfers in (out)	—	—	—	—	—	—
Increase (decrease) in net position	(746,707)	(326,229)	(1,072,936)	(14,170,350)	(255,551)	(14,425,901)
Net position-beginning	125,411,490	6,137,876	131,549,366	139,581,840	6,393,427	145,975,267
Net position-ending	<u>\$ 124,664,783</u>	<u>\$ 5,811,647</u>	<u>\$130,476,430</u>	<u>\$125,411,490</u>	<u>\$ 6,137,876</u>	<u>\$131,549,366</u>

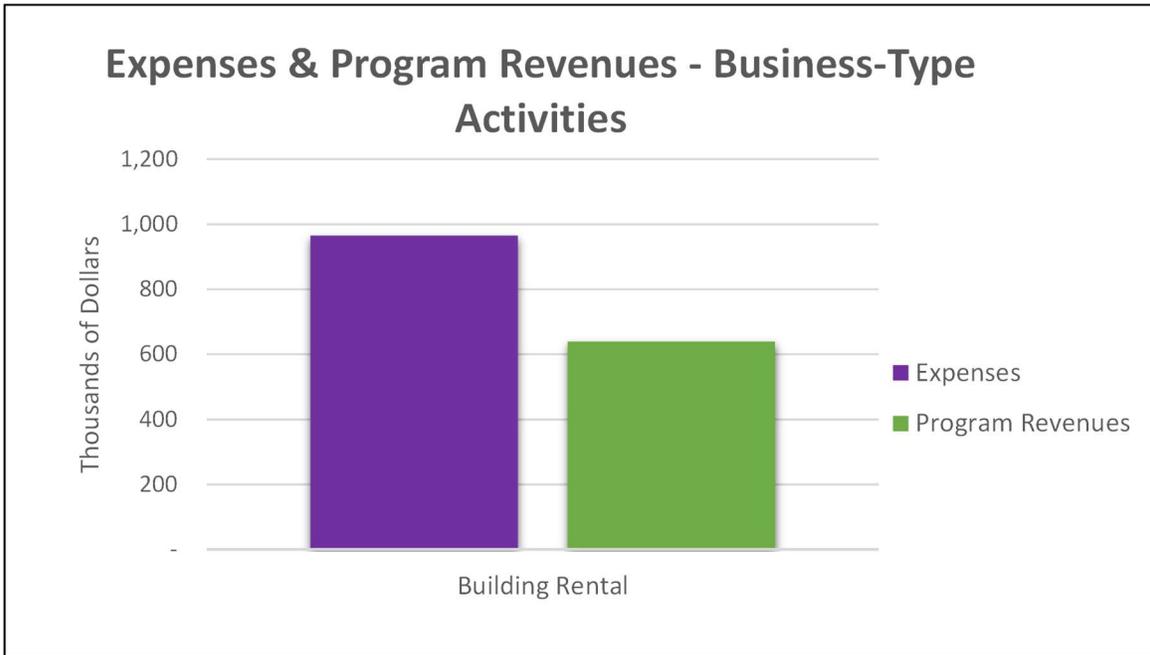
Expenses and Program Revenues - Governmental Activities



Revenues by Sources - Governmental Activities



Business-Type Activities. Business-type activities decreased the District’s net position by \$326,229. This decline is attributed to the non-renewal of a tenant's lease, leading to a reduction in rental income.



Financial Analysis of the Government’s Funds

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

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

As of the end of the current fiscal year, the District’s governmental funds reported combined fund balances of \$62,372,829, a decrease of \$626,603 from the beginning of the year. A large portion of the District's fund balance constitutes unassigned fund balance, of which \$41,285,675 is held as operating reserve intended to be used in limited circumstances. The TABOR emergency reserve of \$4,823,573 is legally restricted. The non-spendable inventory and prepaid items along with the amount restricted for pension payments, excise tax revenue, and JACC projects are also not available for spending by the District.

The general fund is the principle operating fund of the District. At the end of the current fiscal year, total fund balance was \$49,908,875, which represents 31% of total general fund expenditures.

The fund balance of the District's general fund increased by approximately \$7.9 million during the current fiscal year. This is primarily related to the increase in investment income of \$3.1 million over prior year, ambulance transports increase of \$1.3 million, grant revenue increase of \$1 million, and intergovernmental reimbursement revenue increase of \$1.6 million.

Throughout the current fiscal year, the fund balance of the District's capital projects fund experienced a decrease of \$8.6 million. This decline primarily stems from increased equipment expenses, notably the acquisition of portable radios totaling \$3.2 million. Moreover, the absence of the standard \$15 million transfer from the general fund to the capital projects fund in 2023 further compounded this reduction in fund balance for the year. This transfer of funds was held back in 2023 to avoid dropping General Fund balance below the 20% operating reserve (see note 1 – Fund balance section for more information).

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 \$464,540, which saw a slight decrease of \$18,666 from prior year, partly due to a decrease in lease rental income as one tenant did not renew their lease.

The Self-Insured Internal Service Fund has a positive unrestricted net position balance of \$2,047,907, which increased by \$1,925,970 from prior year. An increase to medical and dental premiums in 2023 allowed the District to build up fund balance to mitigate future healthcare cost increases without drastically increasing future premiums.

Capital, Lease and Subscription Assets and Debt Administration

Capital, Lease and Subscription Assets. The District's investment in capital, lease and subscription assets for its governmental and business type activities as of December 31, 2023 amounts to \$87,479,293 (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings, vehicles, equipment, lease, and subscription assets. Notes 4 and 6 give more details related to capital, lease, and subscription assets.

**South Metro Fire Rescue Fire Protection District's Capital Assets
(Net of Depreciation and Amortization)**

	Governmental Activities	Business Type Activities	Total	Governmental Activities	Business Type Activities	Total
	2023	2023	2023	2022	2022	2022
Land	\$ 6,406,796	\$ 2,598,566	\$ 9,005,362	\$ 6,406,796	\$ 2,598,566	\$ 9,005,362
Buildings	47,538,270	2,511,806	50,050,076	49,042,572	2,775,881	51,818,453
Vehicles	13,552,373	—	13,552,373	12,319,666	—	12,319,666
Equipment	7,827,252	224,545	8,051,797	5,267,578	280,223	5,547,801
Construction in Progress	2,798,616	12,190	2,810,806	2,001,151	—	2,001,151
Lease Assets	2,598,554	—	2,598,554	3,232,259	—	3,232,259
Subscription assets	1,410,325	—	1,410,325	—	—	—
Total	\$82,132,186	\$ 5,347,107	\$ 87,479,293	\$78,270,022	\$ 5,654,670	\$ 83,924,692

Long-term debt. State statutes limit the general obligation debt of the District to 50% of total assessed valuation. At the end of the current fiscal year there was no bonded debt outstanding or any authorized but unissued debt for the District. Should the District enter into leases, they would not be general obligations of the District and would be paid solely from the District's revenues as appropriated in the annual budget. The District currently does not have any outstanding general obligation debt.

The District's long-term liabilities increased during the current fiscal year by approximately \$7.4 million. 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 54 in the notes section of this report.

	Governmental Activities	Business Type Activities	Total	Governmental Activities	Business Type Activities	Total
	2023	2023	2023	2022	2022	2022
Compensated absences	\$ 9,155,913	\$ —	\$ 9,155,913	\$ 7,429,077	\$ —	\$ 7,429,077
Net pension liability	4,531,064	—	4,531,064	1,665,419	—	1,665,419
Lease liability	2,665,223	—	2,665,223	3,258,042	—	3,258,042
Subscription assets liability	1,355,660	—	1,355,660	—	—	—
OPEB RHS liability	19,134,635	—	19,134,635	17,078,780	—	17,078,780
	\$36,842,495	\$ —	\$ 36,842,495	\$ 29,431,318	\$ —	\$ 29,431,318

Economic Factors and Next Year's Budgets

Along with the rest of the nation, the District continues to be impacted by the supply chain disruptions and rise in costs due to ongoing inflation. The local economy is stable but with some uncertainty of the future real estate values due to the increased interest rates, although probability of a recession has receded.

The District continues to experience legislative initiatives that has the potential to negatively affect future 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, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 49,231,849	\$ 442,800	\$ 49,674,649
Cash and investments - restricted	5,788,497	—	5,788,497
Receivables (net of allowance for uncollectable)	9,022,404	—	9,022,404
Interest receivable	146,874	—	146,874
Receivable - County Treasurer	153,036,446	—	153,036,446
Prepaid expense	7,732,112	—	7,732,112
Inventories	1,319,392	—	1,319,392
Lease receivable	581,292	1,831,234	2,412,526
Net pension asset	49,363	—	49,363
Capital assets, not being depreciated:			
Land	6,406,796	2,598,566	9,005,362
Construction in progress	2,798,616	12,190	2,810,806
Capital assets (net of accumulated depreciation):			
Building	47,538,270	2,511,806	50,050,076
Vehicles	13,552,373	—	13,552,373
Equipment	7,827,252	224,545	8,051,797
Lease assets, net of amortization	2,598,554	—	2,598,554
Subscription assets, net of amortization	1,410,325	—	1,410,325
Total capital, lease and subscription assets	82,132,186	5,347,107	87,479,293
Total assets	309,040,415	7,621,141	316,661,556
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	16,877,691	—	16,877,691
Deferred outflows related to OPEB RHS	537,377	—	537,377
Total deferred outflows of resources	17,415,068	—	17,415,068
LIABILITIES			
Accounts and wages payables	7,609,579	36,353	7,645,932
Unearned revenue	59,116	—	59,116
Long-term liabilities:			
Due within one year			
Compensated absences	1,510,726	—	1,510,726
Dental IBNR liability	27,000	—	27,000
Medical IBNR liability	1,131,000	—	1,131,000
Lease liability	742,092	—	742,092
Subscription assets liability	554,828	—	554,828
OPEB RHS liability	587,246	—	587,246
Due beyond one year			
Compensated absences	7,645,187	—	7,645,187
Net pension liability	4,531,064	—	4,531,064
Lease liability	1,923,131	—	1,923,131
Subscription assets liability	800,832	—	800,832
OPEB RHS liability	18,547,389	—	18,547,389
Total liabilities	45,669,190	36,353	45,705,543
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax revenue	153,036,446	—	153,036,446
Deferred inflows related to leases	574,989	1,773,141	2,348,130
Deferred inflows related to pensions	402,590	—	402,590
Deferred inflows related to OPEB RHS	2,107,485	—	2,107,485
Total deferred inflows of resources	156,121,510	1,773,141	157,894,651
NET POSITION			
Net investment in capital assets	77,571,659	5,347,107	82,918,766
Restricted:			
Emergency reserve (TABOR)	4,823,573	—	4,823,573
Pension funds	988,343	—	988,343
Net pension asset	49,363	—	49,363
Excise tax revenue	2,151,795	—	2,151,795
Unrestricted	39,080,050	464,540	39,544,590
Total net position	\$ 124,664,783	\$ 5,811,647	\$ 130,476,430

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, 2023**

	Program Revenues			Net (Expenses) Revenue & Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
FUNCTIONS/PROGRAMS							
Governmental activities							
Operations	\$ (114,026,891)	\$ 14,092,462	\$ 112,543	\$ 695,000	\$ (99,126,886)	\$ —	\$ (99,126,886)
Administration	(47,068,391)	1,265,054	1,130,947	1,000,000	(43,672,390)	—	(43,672,390)
Fire Marshal	(5,665,557)	2,241,971	—	—	(3,423,586)	—	(3,423,586)
Dispatch	(4,658,298)	140,092	—	—	(4,518,206)	—	(4,518,206)
Total governmental activities	<u>(171,419,137)</u>	<u>17,739,579</u>	<u>1,243,490</u>	<u>1,695,000</u>	<u>(150,741,068)</u>	<u>—</u>	<u>(150,741,068)</u>
Business-type activities:							
Building rental	(965,340)	—	639,111	—	—	(326,229)	(326,229)
Total business-type activities	<u>(965,340)</u>	<u>—</u>	<u>639,111</u>	<u>—</u>	<u>—</u>	<u>(326,229)</u>	<u>(326,229)</u>
Total government	<u>\$ (172,384,477)</u>	<u>\$ 17,739,579</u>	<u>\$ 1,882,601</u>	<u>\$ 1,695,000</u>	<u>(150,741,068)</u>	<u>(326,229)</u>	<u>(151,067,297)</u>
General revenues							
Property taxes					124,311,095	—	124,311,095
Specific ownership tax					9,859,737	—	9,859,737
Excise taxes					728,625	—	728,625
Medicaid supplemental fee					7,433,403	—	7,433,403
Investment income					3,506,064	—	3,506,064
Intergovernmental and other reimbursements					3,583,844	—	3,583,844
Miscellaneous income					251,140	—	251,140
Gain on sale of assets					320,453	—	320,453
Total general revenues					<u>149,994,361</u>	<u>—</u>	<u>149,994,361</u>
Change in net position					(746,707)	(326,229)	(1,072,936)
Net position -beginning					<u>125,411,490</u>	<u>6,137,876</u>	<u>131,549,366</u>
Net position - ending					<u>\$ 124,664,783</u>	<u>\$ 5,811,647</u>	<u>\$ 130,476,430</u>

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

SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	General Fund	Capital Projects Fund	Non Major - Cherry Hills Property Tax Special Revenue Fund	Total Governmental Funds
ASSETS				
Cash and investments	\$ 38,514,614	\$ 5,710,206	\$ —	\$ 44,224,820
Cash and investments - restricted	4,823,573	—	964,924	5,788,497
Accounts receivable, net	8,076,785	922,678	1,146	9,000,609
Lease receivable	581,292	—	—	581,292
Interest receivable	124,601	—	22,273	146,874
Property taxes receivable	152,668,768	—	367,678	153,036,446
Prepaid expense	2,349,741	5,382,371	—	7,732,112
Inventories	1,319,392	—	—	1,319,392
Total assets	<u>\$ 208,458,766</u>	<u>\$ 12,015,255</u>	<u>\$ 1,356,021</u>	<u>\$ 221,830,042</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued liabilities	\$ 1,342,805	\$ 539,644	\$ —	\$ 1,882,449
Accrued wages	3,904,213	—	—	3,904,213
Unearned revenue	59,116	—	—	59,116
Total liabilities	<u>5,306,134</u>	<u>539,644</u>	<u>—</u>	<u>5,845,778</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow related to leases	574,989	—	—	574,989
Unavailable property tax revenue	152,668,768	—	367,678	153,036,446
Total deferred inflows of resources	<u>153,243,757</u>	<u>—</u>	<u>367,678</u>	<u>153,611,435</u>
FUND BALANCES				
Non-spendable:				
Inventory	1,319,392	—	—	1,319,392
Prepaid items	2,349,741	5,382,371	—	7,732,112
Restricted:				
Emergency reserve	4,823,573	—	—	4,823,573
Pension funds	—	—	988,343	988,343
Excise tax revenue	—	2,151,795	—	2,151,795
JACC projects	130,494	—	—	130,494
Committed:				
Capital Projects Reserve	—	3,941,445	—	3,941,445
Unassigned:				
Total fund balance	<u>49,908,875</u>	<u>11,475,611</u>	<u>988,343</u>	<u>62,372,829</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 208,458,766</u>	<u>\$ 12,015,255</u>	<u>\$ 1,356,021</u>	

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

**SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
RECONCILIATION OF THE BALANCE SHEET –
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2023**

Total Governmental fund balances	62,372,829
Amounts reported for governmental activities in the statement of net position are different because:	
Capital, lease and subscription assets used in governmental activities are not financial resources, and therefore are not reported in the funds	82,132,186
The net pension asset is not available to pay current period expenditures and, therefore, is not recorded in the funds	49,363
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
Deferred outflows related to pensions	16,877,691
Deferred outflows related to OPEB RHS	537,377
Deferred inflows related to pensions	(402,590)
Deferred inflows related to OPEB RHS	(2,107,485)
Long term liabilities that are not due and payable in the current period and therefore are not reported in these funds:	
Compensated absences	(9,155,913)
Lease liability	(2,665,223)
Net pension liability	(4,531,064)
OPEB RHS liability	(19,134,635)
Subscription assets liability	(1,355,660)
Internal service fund assets and liabilities are reported as governmental-type activities in the statement of net position	2,047,907
Net position of governmental activities	\$ 124,664,783

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, 2023

	General Fund	Capital Projects Fund	Non Major - Cherry Hills Property Tax Special Revenue Fund	Totals
REVENUES				
Property taxes	\$ 124,029,742	\$ —	\$ 281,353	\$ 124,311,095
Specific ownership taxes	9,841,160	—	18,577	9,859,737
Excise taxes	—	728,625	—	728,625
Grants	1,243,490	—	—	1,243,490
Investment income	2,932,163	348,550	56,643	3,337,356
Charges for service - transports	14,092,457	—	—	14,092,457
Charges for service - plan review fees	2,241,971	—	—	2,241,971
Medicaid supplemental fee	7,433,403	—	—	7,433,403
Dispatch fees	140,092	—	—	140,092
Intergovernmental and other reimbursements	3,583,844	—	—	3,583,844
Lease rental income	195,706	—	—	195,706
Contribution revenue	—	1,695,000	—	1,695,000
Miscellaneous revenue	251,140	—	—	251,140
Total revenues	<u>165,985,168</u>	<u>2,772,175</u>	<u>356,573</u>	<u>169,113,916</u>
EXPENDITURES				
Public safety				
Operations	109,614,007	132,794	—	109,746,801
Administration	37,412,168	272,690	220,963	37,905,821
Fire Marshal	5,630,848	—	—	5,630,848
Dispatch	3,992,537	—	—	3,992,537
Debt service lease and subscriptions - principal	1,996,317	—	—	1,996,317
Debt service lease and subscriptions - interest	123,714	—	—	123,714
Capital outlay	815,307	11,011,293	—	11,826,600
Total expenditures	<u>159,584,898</u>	<u>11,416,777</u>	<u>220,963</u>	<u>171,222,638</u>
Excess of Revenues Over (Under) Expenditures	<u>6,400,270</u>	<u>(8,644,602)</u>	<u>135,610</u>	<u>(2,108,722)</u>
OTHER FINANCING SOURCES (USES)				
Lease and subscriptions issuance	1,069,348	—	—	1,069,348
Sale of capital assets	412,771	—	—	412,771
Total other financing sources (uses)	<u>1,482,119</u>	<u>—</u>	<u>—</u>	<u>1,482,119</u>
Net change in fund balances	7,882,389	(8,644,602)	135,610	(626,603)
Fund balances - beginning of year	42,026,486	20,120,213	852,733	62,999,432
Fund balances - end of year	<u>\$ 49,908,875</u>	<u>\$ 11,475,611</u>	<u>\$ 988,343</u>	<u>\$ 62,372,829</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, 2023**

Net change in fund balances - Total Governmental Funds \$ (626,603)

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

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

Capital asset additions	13,556,957
Capital asset disposals	(1,822,670)
Depreciation expense	(8,648,743)
Lease and subscriptions additions	1,069,347
Lease and subscriptions disposals	(29,339)
Lease and subscriptions amortization expense	(1,982,634)

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

Change in liability - compensated absences	(1,726,836)
Changes in liability, deferred inflow of resources, deferred outflow of resources - pension	(1,667,018)
Change in liability - leases and subscriptions	956,405
Changes in liability, deferred inflow of resources, deferred outflow of resources - OPEB RHS	(1,751,543)

Internal service fund net revenue (expense) is included in the governmental activities. 1,925,970

Changes in net position of governmental activities	\$ (746,707)
--	--------------

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, 2023

	Business Type Activities - Building Rental Fund	Governmental Activities - Self- Insured Internal Service Fund
ASSETS		
Current assets:		
Cash and investments	\$ 442,800	\$ 5,007,029
Receivables (net of allowance for uncollectable)	—	21,795
Lease receivable	1,831,234	—
Total current assets	<u>2,274,034</u>	<u>5,028,824</u>
Capital assets:		
Land	2,598,566	—
Construction in progress	12,190	—
Buildings	5,936,538	—
Equipment	370,282	—
Less accumulated depreciation	<u>(3,570,469)</u>	<u>—</u>
Total capital assets (net of accumulated depreciation)	<u>5,347,107</u>	<u>—</u>
Total assets	<u>7,621,141</u>	<u>5,028,824</u>
LIABILITIES		
Current liabilities:		
Accounts payable	36,353	1,822,917
Dental IBNR liability	—	27,000
Medical IBNR liability	—	1,131,000
Total current liabilities	<u>36,353</u>	<u>2,980,917</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to leases	<u>1,773,141</u>	<u>—</u>
Total deferred inflows of resources	<u>1,773,141</u>	<u>—</u>
NET POSITION		
Net investment in capital assets	5,347,107	—
Unrestricted	<u>464,540</u>	<u>2,047,907</u>
Total net position	<u>\$ 5,811,647</u>	<u>\$ 2,047,907</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, 2023**

	Business Type Activities - Building Rental Fund	Governmental Activities - Self-Insured Internal Service Fund
OPERATING REVENUES		
Charges for services	\$ —	\$ 17,576,546
Lease and non-lease component revenue	631,582	—
Lease interest income	7,529	—
Total operating revenues	<u>639,111</u>	<u>17,576,546</u>
OPERATING EXPENSES		
Building and grounds maintenance	633,112	—
Depreciation	332,228	—
Medical and Dental	—	16,885,838
Total operating expenses	<u>965,340</u>	<u>16,885,838</u>
Operating income (loss)	<u>(326,229)</u>	<u>690,708</u>
NONOPERATING INCOME		
Investment income	—	168,708
Miscellaneous	—	1,055,168
Stop loss refunds	—	11,386
Total nonoperating income	<u>—</u>	<u>1,235,262</u>
Change in net position	(326,229)	1,925,970
Total net position - beginning of year	6,137,876	121,937
Total net position - end of year	<u>\$ 5,811,647</u>	<u>\$ 2,047,907</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, 2023

	Business Type Activities - Building Rental Fund	Governmental Activities - Self- Insured Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 650,317	\$ —
Receipts from interfund services provided	—	17,576,546
Payments for interfund services provided	—	(15,954,220)
Payments to suppliers	(624,606)	—
Stop loss refunds	—	11,386
Miscellaneous	—	1,055,168
	<u>25,711</u>	<u>2,688,880</u>
Net cash provided by operating activities		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital purchases	(24,665)	—
	<u>(24,665)</u>	<u>—</u>
Net cash (used) by capital and related financing activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	—	168,708
	<u>—</u>	<u>168,708</u>
Net cash provided by investing activities		
Net increase in cash and cash equivalents	1,046	2,857,588
Cash and cash equivalents, January 1	441,754	2,149,441
	<u>442,800</u>	<u>5,007,029</u>
Cash and cash equivalents, December 31		
Reconciliation of operating loss to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (326,229)	\$ 690,708
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation expense	332,228	—
Nonoperating revenues	—	1,066,554
Increase in:		
Accounts receivable and lease receivable	480,011	7,285
Deferred inflows related to leases	(468,805)	—
Increase in:		
Accounts payable	8,506	924,333
Total adjustments	<u>351,940</u>	<u>1,998,172</u>
	<u>\$ 25,711</u>	<u>\$ 2,688,880</u>
Net cash provided by operating activities		
Reconciliation of cash and cash equivalents to statement of net position:		
Unrestricted cash and cash equivalents	\$ 442,800	\$ 5,007,029
Total cash and investments	<u>\$ 442,800</u>	<u>\$ 5,007,029</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, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Definition of Reporting Entity

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

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

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

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

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

Government-wide and Fund Financial Statements

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

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

operating expense. Expenditures for property, apparatus, equipment and infrastructure are shown as increases in assets.

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

The District reports the following major governmental funds:

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

Non-major:

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

The District reports the following major proprietary funds:

Enterprise Fund:

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

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

Internal Service Fund:

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

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

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

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

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

Budgets

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

Pooled Cash and Investments

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

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

Cash Equivalents

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

Capital, Lease and Subscription Assets

Capital, lease, and subscription assets, which include property, equipment, infrastructure assets and software are reported in the applicable governmental or business type activities columns in the government-wide financial statements. Capital, lease, and subscription assets are defined by the District as assets with an initial, individual cost of more than \$10,000 and an estimated useful life greater than one year. Such assets are recorded at

historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art or similar items, and capital assets received in a service concession arrangement are recorded at acquisition value at the date of donation. Intangible assets follow the same capitalization policies as tangible assets and are reported in the appropriate capital asset class.

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

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

*The shorter of the lease/subscription or useful life.

Compensated Absences

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

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessors generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurers collect the determined taxes during the ensuing calendar year. The taxes are

payable by April or if in equal installments, at the taxpayers' election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurers remit the taxes collected monthly to the District. Property taxes are recorded initially as deferred inflows of resources in the year they are levied and measurable. The deferred inflow is then recorded as revenue in the year they are available or collected. The District also collects Excise Taxes from the Town of Parker through an agreement entered into in 2019 for newly constructed residential and nonresidential buildings.

Accounts Receivable, Allowance for Uncollectable Accounts

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

Inventories

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

Prepaid Expense

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items are recorded as expenditures/expenses when consumed rather than when purchased. The District considers items to be prepayments when payment is made for services and/or goods delivered in future periods and the amount of the payment is more than \$20,000. Items less than \$20,000 are expensed when purchased.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category which are

shown as pension and OPEB. Pension-related amounts include items related to the District's portion of the Colorado Fire and Police Pension Association (FPPA) benefit plans. This includes the difference between expected and actual experience, any changes of assumptions or other inputs, the net difference between projected and actual investment earnings on pension plan investments, and the related contributions subsequent to the measurement date, but before the end of the fiscal year and changes in proportion since the prior measurement dates. See Note 12 for additional information.

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

Fund Balance

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

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

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

Committed fund balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the

government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board. The Board will either pass an ordinance or resolution as the highest level of decision making dependent on the subject matter.

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

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

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

Net Position

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

Implementation of New Accounting Standard

The District implemented GASB Statement No. 96, *Subscription-based Information Technology Arrangements* (Statement No. 96) retroactive to January 1, 2023. Statement No. 96 established criteria for the recognition of subscription-based information technology arrangements (SBITAs) for governments. SBITAs result in intangible right to

use subscription assets along with the corresponding subscription liabilities. Correspondingly, a SBITA covers the subscription period for which the government has a noncancelable right to use another vendor’s information technology software. The impact of the implementation at January 1, 2023 resulted in the recognition of right to use subscription assets of \$1,719,246 and increased subscription liabilities of \$1,719,246. For additional information, refer to Note 6.

NOTE 2 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2023 are as follow:

Cash and Investments	Governmental Activities	Business-Type Activities	Total
Cash and cash equivalents	\$ 32,821,417	\$ 442,800	\$ 33,264,217
Investments	16,410,432	-	16,410,432
Restricted investments	5,788,497	-	5,788,497
Total cash and investments	\$ 55,020,346	\$ 442,800	\$ 55,463,146

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, 2023, all of the District's deposits were either insured by the Federal Deposit Insurance Corporation or held in eligible public depositories as required by PDPA.

Investments

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

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

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

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

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

The District does not have recurring fair value measurements as of December 31, 2023, that are valued using quoted prices in active markets for identical assets (Level 1) or significant unobservable inputs (Level 3).

<u>Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Net Asset Value (NAV)</u>	<u>Total</u>
CSIP**	\$ -	\$ -	\$ -	\$ 30,499,128	\$ 30,499,128
Chandler	-	7,830,846	-	-	7,830,846
PFM	-	13,823,370	-	-	13,823,370
Total*	\$ -	\$ 21,654,216	\$ -	\$ 30,499,128	\$ 52,153,344

*Money Market Funds of \$522,949 and Local Government Investment Pool (LGIP) of \$21,764 are not categorized within the fair value hierarchy.

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

As of December 31, 2023, 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	\$ 4,726,876	1.97	Aaa/AA+
US Agencies	1,715,263	1.62	Aaa/AA+
Supranational Bonds	128,218	4.07	Aaa/AAA
Corporate Bonds	775,986	1.79	Aa/AAA
Money Market Fund	522,949	—	Aaa/AAA
Commercial Paper	384,441	0.33	P-1 /A-1+
Certificates of Deposit	100,062	0.27	P-1 /A-1+
Total Fair Value	\$ 8,353,795	1.7	

As of December 31, 2023, the District had the following investments in a third managed portfolio managed by PFM Asset Management LLC. Modified duration is shown in years.

<u>Investment</u>	<u>Fair Value</u>	<u>Modified Duration</u>	<u>S&P/Moody's Rating</u>
US Treasuries	\$ 6,996,793	2.86	AA+/Aaa
US Agencies	2,621,789	1.73	AA+/Aaa
Municipal Bonds	1,715,757	1.8	AAA/Aa1
Certificates of Deposit	269,691	2.65	AA-/Aa3
Supranational Bonds	1,373,343	2.57	AAA/Aaa
Corporate Notes	845,997	2.02	AAA/Aaa
LGIP	21,764	—	AAAm/NR
Total Fair Value	\$ 13,845,134	2.27	

Local Government Investment Pools – As of December 31, 2023, the District had funds invested in local government investment pools which are rated AAA.

- CSIP: The District invested in the Colorado Statewide Investment Program (CSIP), an investment vehicle established for local government entities in Colorado to pool surplus funds. CSIP Liquid Portfolio is managed by PFM Asset Management LLC

(PFMAM), a subsidiary of U.S. Bancorp Asset Management, Inc. As the fund's investment adviser and administrator, PFMAM is responsible for the purchase and sale of all portfolio assets. PFMAM is registered with the SEC under the Investment Advisers Act of 1940 and specializes in creating investment strategies and managing funds for public sector, not-for-profit and other institutional clients. CSIP offers a fully liquid, variable rate investment option known as the CSIP Liquid Portfolio, and the ability for participants to invest in shares of fixed-rate, fixed-term investments through the CSIP Term Portfolio. Investments in the CSIP portfolios seek to comply with those authorized under 24-75-601 et. seq. of the Colorado Revised Statutes. Both the CSIP Liquid Portfolio and the Term Portfolio can be utilized for many types of government funds including general funds, operating funds, bond proceeds, debt service funds, operating reserves and debt service reserve funds. A short-term portfolio rated AAAM by Standard & Poor's and AAAMmf by Fitch Ratings.

- The money market fund of the PFM managed account is the Colorado Statewide Investment Program (CSIP) and is rated AAAM. As an investment pool these firms operate under the Colorado Revised Statutes (24-75-701) and are overseen by the Colorado Securities Commissioner. They invest in securities that are specified by the Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). They operate similar to a money market fund with a share value equal to \$1.00. CSIP doesn't have any redemption restrictions.

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

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

District's direct investment in bank CD's must be rated Excellent or better to be covered by FDIC insurance.

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

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

NOTE 3 – RECEIVABLES

Receivables as of the year end for the District's individual major funds, including the applicable allowance for uncollectible accounts in the amount of \$5 million, are as follows:

	General Fund	Capital Projects	Non Major - Cherry Hills Property Tax Special Revenue Fund	Self-Insured Internal Service Fund	Total Governmental Activities
Accounts, net	\$ 8,076,785	\$ 922,678	\$ 1,146	\$ 21,795	\$ 9,022,404
Lease	581,292	—	—	—	581,292
Taxes	152,668,768	—	367,678	—	153,036,446
Interest	124,601	—	22,273	—	146,874
Total Receivables	<u>\$ 161,451,446</u>	<u>\$ 922,678</u>	<u>\$ 391,097</u>	<u>\$ 21,795</u>	<u>\$ 162,787,016</u>

	Building Rental Fund	Total Business-Type Funds	Total All Funds
Accounts, net	\$ —	\$ —	\$ 9,022,404
Lease	1,831,234	1,831,234	2,412,526
Taxes	—	—	153,036,446
Interest	—	—	146,874
Total Receivables	<u>\$ 1,831,234</u>	<u>\$ 1,831,234</u>	<u>\$ 164,618,250</u>

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of unavailable revenue reported in the governmental funds were as follows:

Property Tax Revenue

General Fund Property taxes receivable	\$ 152,668,768
Cherry Hills Property taxes receivable (Special Revenue Fund)	367,678
	<u>\$ 153,036,446</u>

NOTE 4 - CAPITAL ASSETS

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 6,406,796	\$ —	\$ —	\$ 6,406,796
Construction in progress	2,001,151	2,568,413	1,770,948	2,798,616
Total capital assets, not being depreciated	8,407,947	2,568,413	1,770,948	9,205,412
Capital assets, being depreciated:				
Buildings	79,084,531	665,802	74,481	79,675,852
Vehicles	44,064,424	4,910,275	1,355,650	47,619,049
Equipment	16,192,700	5,412,467	1,016,936	20,588,231
Total capital assets, being depreciated	139,341,655	10,988,544	2,447,067	147,883,132
Less accumulated depreciation for:				
Buildings	(30,041,959)	(2,170,104)	(74,481)	(32,137,582)
Vehicles	(31,744,758)	(3,625,846)	(1,303,928)	(34,066,676)
Equipment	(10,925,122)	(2,852,793)	(1,016,936)	(12,760,979)
Total accumulated depreciation	(72,711,839)	(8,648,743)	(2,395,345)	(78,965,237)
Total capital assets, being depreciated, net	66,629,816	2,339,801	51,722	68,917,895
Governmental activities capital assets, net	75,037,763	4,908,214	1,822,670	78,123,307
Business-type activities:				
Capital assets, not being depreciated:				
Land	2,598,566	—	—	2,598,566
Construction in progress	—	12,190	—	12,190
Total capital assets, not being depreciated	2,598,566	12,190	—	2,610,756
Capital assets, being depreciated:				
Buildings	5,924,063	12,475	—	5,936,538
Equipment	370,282	—	—	370,282
Total capital assets, being depreciated	6,294,345	12,475	—	6,306,820
Less accumulated depreciation for:				
Buildings	(3,148,182)	(276,550)	—	(3,424,732)
Equipment	(90,059)	(55,678)	—	(145,737)
Total accumulated depreciation	(3,238,241)	(332,228)	—	(3,570,469)
Total capital assets, being depreciated, net	3,056,104	(319,753)	—	2,736,351
Business-type activities capital assets, net	\$ 5,654,670	\$ (307,563)	\$ —	\$ 5,347,107

See Note 6 for information on lease and subscription assets.

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

Operations	\$ 1,100,744
Administration	6,900,555
Dispatch	647,445
Total depreciation expense - governmental activities	<u>\$ 8,648,743</u>
Business-type activities:	
Building Rental	\$ 332,228
Total depreciation expense - business-type activities	<u>\$ 332,228</u>

NOTE 5 - INTERFUND TRANSFERS AND BALANCES

As of December 31, 2023, the District did not have any interfund transfers.

NOTE 6 – LEASES AND SUBSCRIPTION ASSETS

Lessee

The District leases real estate, copy machines and staff vehicles under annually cancelable leases. The total lease payments in 2023 were \$814,979, including \$774,569 in principal payments and \$40,410 in interest payments.

Lease Assets

Lease asset activity for the year ended December 31, 2023, was as follows:

	Balance January 1, 2023	Additions	Deletions	Balance December 31, 2023
Lease Assets:				
Vehicles	\$ 2,010,311	\$ 181,750	\$ 47,082	\$ 2,144,979
Real Estate	2,042,732	-	-	2,042,732
Copiers	186,092	-	5,370	180,722
Total Lease Assets, Being Amortized	<u>4,239,135</u>	<u>181,750</u>	<u>52,452</u>	<u>4,368,433</u>
Less accumulated amortization:				
Vehicles	810,849	458,868	23,113	1,246,604
Real Estate	121,591	291,819	-	413,410
Copiers	74,436	35,429	-	109,865
Total Accumulated Amortization:	<u>1,006,876</u>	<u>786,116</u>	<u>23,113</u>	<u>1,769,879</u>
Total Lease Assets, Net	<u>\$ 3,232,259</u>	<u>\$ (604,366)</u>	<u>\$ 29,339</u>	<u>\$ 2,598,554</u>

Lease Liabilities

The following is a summary of changes in lease liabilities of the District for the year ended December 31, 2023:

Lease Liabilities

Leases	Balance January 1, 2023	Additions	Deletions	December 31, 2023	Due Within One Year
Vehicles	\$ 1,206,514	\$ 181,750	\$ 479,056	\$ 909,208	\$ 438,278
Real Estate	1,939,471	-	254,709	1,684,762	268,252
Copiers	112,057	-	40,804	71,253	35,562
Total	\$ 3,258,042	\$ 181,750	\$ 774,569	\$ 2,665,223	\$ 742,092

Future Lease Payments

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

Maturity Analysis	Principal	Interest	Total
2024	742,092	39,285	781,377
2025	622,654	30,656	653,310
2026	376,762	22,632	399,393
2027	388,570	14,652	403,222
2028	337,691	7,114	344,805
2029-2033	197,456	1,233	198,689
Total	2,665,223	115,572	2,780,795
Lease Liability	2,665,223		

Lessor

Government-Wide Activities

The District leases space in five of its buildings and on its communication tower to four cell phone wireless companies. The communications tower has space leased to one neighboring fire district, a Communications District in a nearby county, and a school district for placement of antennas. In 2023, total receipts for renting this space was \$195,706. Lease revenue was \$194,336 and lease interest revenue was \$1,370.

Business-Type Activities

The primary function of the building rental fund is the leasing of office space. The District leases a portion of its administrative building, and in 2023 total receipts of renting this space was \$468,808. Lease revenue was \$461,279 and lease interest revenue was \$7,529.

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

01/01/2024 - 12/31/2024	487,540	5,798	481,742
01/01/2025 - 12/31/2025	487,540	4,061	483,479
01/01/2026 - 12/31/2026	487,540	2,318	485,223
01/01/2027 - 12/31/2027	381,382	592	380,790
Total	1,844,002	12,769	1,831,234

Subscription Assets

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

Subscription asset activity for the years ended December 31, 2023, was:

Assets:	Balance		Deletions	Balance	
	January 1, 2023*	Additions		December 31, 2023	
Subscription IT assets	\$ 1,719,246	\$ 887,597	\$ -	\$ 2,606,843	
Total Subscription Assets, Being Amortized	1,719,246	887,597	-	2,606,843	
Less accumulated amortization:					
Subscription IT assets	-	1,196,518	-	1,196,518	
Total Accumulated Amortization	-	1,196,518	-	1,196,518	
Subscription Assets, Net	\$ 1,719,246	\$ (308,921)	\$ -	\$ 1,410,325	

*Restated for implementation of GASB 96.

Subscription Liabilities

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

The following is a summary of changes in subscription liabilities of the District for the year ended December 31, 2023:

Liability:	Balance January 1, 2023*	Additions	Deletions	Balance December 31, 2023	Due Within One Year
Subscriptions	\$ 1,719,246	\$ 887,597	\$ 1,251,183	\$ 1,355,660	\$ 554,828
Total	\$ 1,719,246	\$ 887,597	\$ 1,251,183	\$ 1,355,660	\$ 554,828

*Restated for implementation of GASB 96.

During the year ended December 31, 2023, the District recognized \$44,734 of subscription expense for variable payments not previously included in the measurement of the subscription liability.

The following is a schedule by year of payments under the SBITAs as of December 31, 2023:

Maturity Analysis	Principal	Interest	Total
01/01/2024 - 12/31/2024	554,828	42,539	597,367
01/01/2025 - 12/31/2025	412,702	19,348	432,050
01/01/2026 - 12/31/2026	184,994	10,355	195,349
01/01/2027 - 12/31/2027	203,134	1,523	204,657
Total	1,355,660	73,762	1,429,423
Liability	1,355,660		

Capital, Lease, and Subscription Asset Impairment

The District evaluates capital, lease, and subscription assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital or lease asset has occurred. If a capital, lease, or subscription asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected, accumulated depreciation is increased by the amount of the impairment loss. No asset impairment was recognized during the year ended December 31, 2023.

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, 2023 was as follows:

	Beginning Balance*	Additions	Retirements	Ending Balance	Due within one year
Governmental Activities:					
Compensated Absences	\$ 7,429,077	\$ 2,436,411	\$ 709,575	\$ 9,155,913	\$ 1,510,726
Net pension liability	1,665,419	2,865,645	—	4,531,064	—
Lease liability	3,258,042	181,750	774,569	2,665,223	742,092
OPEB RHS liability	17,078,780	2,055,855	—	19,134,635	587,246
Subscription assets liability	1,719,246	887,597	1,251,183	1,355,660	554,828
Long-Term Liabilities	<u>\$ 31,150,564</u>	<u>\$ 8,427,258</u>	<u>\$ 2,735,327</u>	<u>\$ 36,842,495</u>	<u>\$ 3,394,892</u>

*Restated for implementation of GASB 96.

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

NOTE 9 - TAX ABATEMENTS

In accordance with GASB Statement No. 77, the District has disclosed all agreements entered into with other entities that involve property tax abatements. It is important to note that the District has not directly entered into any abatement agreements. The terms of the agreements and payment amounts as of December 31, 2023 are detailed as follows:

The Town of Parker approved the creation of the Parker Authority for Reinvestment (the URA) that in turn adopted three urban renewal plans, namely the Parker Road Plan, Parker Central Plan and Cottonwood Plan that are within the District's boundaries. The creation of the URA allows for Tax Increment Financing (TIF) as described under section 31-25-101 of the Colorado Revised Statutes. The URA has retained all property taxes categorized as TIF within the designated areas and has not entered into any agreement to share those revenues with the District. As a result, \$816,394 of property tax revenue was diverted from the District during the year ending December 31, 2023. The total TIF amounts are outlined below:

	Prior Years	2023
Total TIF	\$ 2,309,639	\$ 816,394

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, 2023. The Pool is an organization created by intergovernmental agreement to provide workers compensation coverage to its members.

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

The District provides health and dental benefits to employees through the SMFR Medical Self-Insured Fund that is reported as an Internal Service Fund. The SMFR Medical Self-Insured Fund collects the District and employee medical and dental premiums. The funds are used to pay for the Stop Loss Insurance, administration fees to the third-party administrator and to medical and dental claims of the insured. IBNR activity for this year and prior year are as follows:

	2023*	2022
IBNR liability, beginning of year	\$ 1,260,000	\$ 833,900
Current year medical and dental claims incurred and changes in estimates for claims incurred in prior years	14,127,116	13,704,603
Medical and dental claims and expenses paid	(14,229,116)	(13,278,503)
IBNR liability, end of year	<u>\$ 1,158,000</u>	<u>\$ 1,260,000</u>

*Note: Dental claims were added in year 2023 to the Medical Self-Insured Fund.

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

NOTE 11 - RELATED PARTY TRANSACTIONS

South Metro Safety Foundation

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

Related party transactions

In 2023, eight employees were paid a total of \$25,668 for services performed. The services performed were related to aeration services, embroidery and leather work for equipment used in the operations.

Additionally, the District conducted transactions totaling \$25,833 with two companies that were considered related parties of the District either because the district employee's family owned the company or the District employee worked for the company. The District feels these transactions are priced competitively and are accurately characterized as "arm's length" transactions.

NOTE 12 – PENSION AND OTHER POST EMPLOYMENT BENEFITS

Defined Contribution Benefit Plans

1) Paid Firefighters and Administration Plan

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

Benefit terms, including contribution requirements, for the Plan are established by the Board of Directors. State statutes require the District to contribute at least 8% to the firefighter pension plan. The District currently contributes 12% of base pay for all employees to the pension plan. The employees, also, contribute 12% of base pay. For the year ended December 31, 2022 the District contributed and recognized as expense \$7,966,140 and employees contributed a total of \$7,966,140.

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 \$78,872 were returned to the plan during 2023.

Defined Benefit Plans

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

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

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

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

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

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

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

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

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

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

	Net Pension Liability	Net Pension (Asset)	Pension Expense (Income)	Deferred Inflows	Deferred Outflows
Parker Fire Protection District Volunteer Plan	\$ 728,976	\$ —	\$ 510,893	\$ —	\$ 108,598
South Metro Fire Rescue Volunteer Plan	385,504	—	345,039	—	60,638
Cherry Hills Old Hire Plan	1,527,273	—	124,151	—	360,446
South Metro FPPA Plan - SWDB	1,889,311	—	1,873,796	324,494	14,992,972
South Metro FPPA Plan - SWH	—	(49,363)	956,060	78,096	1,355,037
Totals	\$ 4,531,064	\$ (49,363)	\$ 3,809,939	\$ 402,590	\$ 16,877,691

2) Parker Fire Protection District Volunteer Pension Plan

The Pension Fund's Board of Trustees is comprised of the seven Directors of the South Metro Fire Rescue Fire Protection District plus two retired volunteer members of the plan. At December 31, 2022, 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 \$800 per month after reaching 50 years of age and 20 years of service. Any member having a minimum of 10 years of service and reaching 50 years of age may receive a benefit of \$40 per month for each year of service for a minimum of \$400. There is no COLA attached to this plan. In addition, the plan provides death and disability benefits. The plan is funded based on the bi-annual actuarial study. The contribution made by the District is the full amount of the required contribution. Plan members do not make contributions. Contributions to the volunteer plan from the District were \$94,767 for the year ended December 31, 2023. The latest actuarial study was performed as of January 1, 2023. The next study will be performed January 1, 2025. The actuarial study as of January 2023 was revised and updated on January 8, 2024, and has determined the annual contributions for 2024 and 2025 is \$87,599.

The changes in the net pension liability for the measurement period at December 31, 2022 are calculated as follows:

A. Total Pension Liability		
Interest on the Total Pension Liability	\$	34,085
Benefit changes		510,948
Difference between expected and actual experience of the Total Pension Liability		(22,627)
Changes of assumptions		(2,005)
Benefit payments		(109,960)
Net change in total pension liability	\$	410,441
Total pension liability - beginning		540,980
Total pension liability - ending	\$	951,421
B. Plan fiduciary net position		
Contributions - employer	\$	94,767
Net investment income		(20,991)
Benefit payments		(109,960)
Pension plan administrative expense		(5,341)
Net change in plan fiduciary net position	\$	(41,525)
Plan fiduciary net position - beginning (Market value of assets at beginning of year)		263,970
Plan fiduciary net position - ending (Market value of assets at end of year)	\$	222,445
C. Net pension liability	\$	728,976
D. Plan fiduciary net position as a percentage of the total pension liability		23.38 %

For the year ended December 31, 2023, the District recognized pension expense of \$510,893. At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 13,831	\$ —
Contributions subsequent to the measurement date	94,767	—
Total	<u>\$ 108,598</u>	<u>\$ —</u>

Contributions subsequent to the measurement date of December 31, 2022, 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, 2024. 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
2024	\$ (944)
2025	2,617
2026	4,404
2027	7,754
Total	\$ 13,831

Actuarial Assumptions

The total pension liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

The actuarial assumptions shown above are associated with the Actuarially Determined Contribution for the Fiscal Year Ending December 31, 2022. The actuarial assumptions were changed for the Actuarial Valuation as of January 1, 2023 and as such, the Total Pension Liability was measured using those assumptions.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic nominal rates of return for each major asset class included in the Fund’s target asset allocation as of December 31, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	3.92 %
Fixed income - Rates	10.00 %	5.45 %
Fixed income - Credit	5.00 %	6.90 %
Absolute return	9.00 %	6.49 %
Long short	6.00 %	7.47 %
Global equity	35.00 %	8.93 %
Private markets	34.00 %	10.31 %
Total	100.00 %	

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

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Proportion share of the net pension liability	\$ 795,756	\$ 728,976	\$ 669,951

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

3) South Metro Fire Rescue Volunteer Pension Plan

Retirement, disability and death benefits are paid in accordance with the plan provisions established by the Board of Trustees. Full retirement benefit of \$800 per month may commence when the retiree has twenty years of qualified service and is at least 50 years of

age. Reduced benefits of \$40 per month may be earned after ten years of qualified service at age 50 up to a maximum of \$400. Spouses of deceased firefighters may receive 50% of the current pension benefits. There is a \$500 funeral benefit.

At December 31, 2022 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. Contributions to the volunteer plan from the District were \$48,233 for the year ended December 31, 2023. The latest actuarial study was performed as of January 1, 2023. The next study will be performed January 1, 2025. The actuarial study as of January 2023 determines that \$41,127 of contributions are needed annually for the 2024 and 2025 years.

The changes in the net pension liability for the measurement period at December 31, 2022 is calculated as follows:

A. Total Pension Liability	
Interest on the Total Pension Liability	\$ 21,094
Benefit changes	347,399
Difference between expected and actual experience of the Total Pension Liability	(11,614)
Changes of assumption	1,457
Benefit payments	<u>(65,400)</u>
Net change in total pension liability	\$ 292,936
Total pension liability - beginning	<u>333,494</u>
Total pension liability - ending	<u><u>\$ 626,430</u></u>
B. Plan fiduciary net position	
Contributions - employer	\$ 48,233
Net investment income	(22,662)
Benefit payments	(65,400)
Pension plan administrative expense	<u>(3,715)</u>
Net change in plan fiduciary net position	\$ (43,544)
Plan fiduciary net position - beginning (Market value of assets at beginning of year)	<u>284,470</u>
Plan fiduciary net position - ending (Market value of assets at end of year)	<u><u>\$ 240,926</u></u>
C. Net pension liability	<u><u>\$ 385,504</u></u>
D. Plan fiduciary net position as a percentage of the total pension liability	38.46 %

For the year ended December 31, 2023, the District recognized pension expense of \$345,039. At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 12,405	\$ —
Contributions subsequent to the measurement date	48,233	—
Total	\$ 60,638	\$ —

Contributions subsequent to the measurement date of December 31, 2022, 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, 2024. 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
2024	\$ (2,077)
2025	1,731
2026	4,379
2027	8,372
Total	\$ 12,405

Actuarial Assumptions

The total pension liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Withdrawal Rate	20% of members age 50 and eligible for a terminated vested benefit which would commence immediately are assumed to withdraw each year
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	7.00%
Retirement Age	50% per year of eligibility until 100% at age 65.
Mortality Tables	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 scales, and then projected prospectively using the ultimate rates of the scale for all years.

The actuarial assumptions shown above are associated with the Actuarially Determined Contribution for the Fiscal Year Ending December 31, 2022. The actuarial assumptions were changed for the Actuarial Valuation as of January 1, 2023 and as such, the Total Pension Liability was measured using those assumptions.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic nominal rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	3.92 %
Fixed income - Rates	10.00 %	5.45 %
Fixed income - Credit	5.00 %	6.90 %
Absolute return	9.00 %	6.49 %
Long short	6.00 %	7.47 %
Global equity	35.00 %	8.93 %
Private markets	34.00 %	10.31 %
Total	100.00 %	

Single Discount Rate Sensitivity

Regarding the sensitivity of the net pension liability to changes in the Single Discount Rate, the following presents the plans' net pension liability, calculated using a Single

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

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Proportion share of the net pension liability	\$ 434,980	\$ 385,504	\$ 342,403

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

4) Cherry Hills Old Hire Firefighter Plan

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

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

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

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

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

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

At December 31, 2022, there are 9 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, 2022 determined a \$216,735 contribution be made in 2023 and 2024. The next actuarial study will be done as of January 1, 2024. The contribution was recorded from the Cherry Hills Property Tax Special Revenue Fund, which collects the property tax receipts from the properties in the old Cherry Hills Fire Protection District which are used to fund the Old Hire Pension Trust Fund.

The changes in the net pension liability for the measurement period at December 31, 2022 is calculated as follows:

A. Total pension liability	
Interest on the Total Pension Liability	\$ 231,930
Difference between expected and actual experience of the Total Pension Liability	—
Changes of assumptions	—
Benefit Payments	<u>(359,091)</u>
Net change in pension liability	\$ (127,161)
Total pension liability - beginning	<u>3,744,877</u>
Total pension liability - ending	<u><u>\$ 3,617,716</u></u>
B. Plan fiduciary net position	
Contributions - employer	\$ 216,735
Net investment income	(167,473)
Benefit payments	(359,090)
Pension Plan Administrative Expense	<u>(5,220)</u>
Net change in plan fiduciary net position	<u>\$ (315,048)</u>
Plan fiduciary net position - beginning (Market value of assets at beginning of year)	<u>2,405,491</u>
Plan fiduciary net position - ending (Market value of assets at end of year)	<u><u>\$ 2,090,443</u></u>
C. Net pension liability	<u><u>\$ 1,527,273</u></u>
D. Plan fiduciary net position as a percentage of the total pension liability	57.78 %

For the year ended December 31, 2023, the District recognized a pension expense of \$124,151. At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 143,711	\$ —
Contributions subsequent to the measurement date	216,735	—
Total	\$ 360,446	\$ —

Contributions subsequent to the measurement date of December 31, 2022, 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, 2024. 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
2024	\$ 7,717
2025	29,329
2026	42,844
2027	63,821
Total	\$ 143,711

Actuarial Assumptions

The total pension liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Withdrawal Rate	20% of members age 50 and eligible for a terminated vested benefit which would commence immediately are assumed to withdraw each year
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	6.50%
Retirement Age	Any remaining actives are assumed to retire immediately.
Mortality Tables	Post-Retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and

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

Disabled (pre-1980): Post-retirement rates set forward three years.

There were no changes in assumptions from the prior valuation. The actuarial assumptions were set by the FPPA Board based on a regularly scheduled experience study in 2022.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic nominal rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00 %	4.40 %
Fixed income - Rates	30.00 %	4.90 %
Fixed income - Credit	6.00 %	6.60 %
Absolute return	6.00 %	6.90 %
Long short	6.00 %	6.70 %
Global public equity	17.00 %	8.70 %
Private capital	30.00 %	10.20 %
Total	100.00 %	

Single Discount Rate Sensitivity

Regarding the sensitivity of the net pension liability to changes in the Single Discount Rate, the following presents the plans' net pension liability, calculated using a Single Discount Rate of 6.5%, as well as what the plans' net pension liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher.

	1% Decrease (5.5%)	Current Discount Rate (6.5%)	1% Increase (7.5%)
Proportion share of the net pension liability	\$ 1,805,508	\$ 1,527,273	\$ 1,282,477

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

The Pension Plan is funded entirely by a mill levy assessed on the former Cherry Hills Fire Protection District. For 2023 the mill levy was 0.500 mills.

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

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

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

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

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

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

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a

retirement pension at age 55 equal to 2 percent of the member's average highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

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

Contributions. Contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13.0 percent of pensionable earnings. In 2022, members of the SWDB plan and their employers are contributing at the rate of 12.0 percent and 9.0 percent, respectively, of pensionable earnings for a total contribution rate of 21.0 percent.

The contribution rate for members and employers of affiliated social security employers is 6.0 percent and 4.5 percent, respectively, of pensionable earnings for a total contribution rate of 10.5 percent in 2022. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

The member contribution rate as of December 31, 2023 was 12% and the District's contribution rate was 9.5%. Contributions to the SWDB plan from the District were \$1,726,851 for the year ended December 31, 2023.

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

At December 31, 2023, the District reported a liability of \$1,889,311 for its proportionate share of the SWDB net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023, which was unchanged from December 31, 2022. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. At December 31, 2022, the District's proportion was 2.128 percent, which was a decrease of 0.285 percent from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the District recognized pension expense of \$1,873,796. At December 31, 2023, 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	\$ 4,089,705	\$ 231,901
Changes of assumptions or other inputs	2,420,465	—
Net difference between projected and actual earnings on pension plan investments	4,275,457	—
Changes in proportion and differences between contributions recognized and proportionate share of contributions	2,480,494	92,593
Contributions subsequent to the measurement date	1,726,851	—
Total	<u>\$ 14,992,972</u>	<u>\$ 324,494</u>

Total reported deferred outflows of resources related to pension were \$1,726,851 resulting from District contributions subsequent to measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. 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
2024	\$ 1,372,764
2025	2,178,965
2026	2,913,020
2027	3,889,777
2028	1,057,097
Thereafter	1,530,002
Total	<u>\$ 12,941,627</u>

Actuarial Assumptions. The January 1, 2023 actuarial valuation used the following actuarial assumptions and other inputs:

	Total Pension Liability
Actuarial valuation date	January 1, 2023
Actuarial method	Entry Age Normal
Amortization method	N/A
Amortization period	N/A
Long-term investment rate of return, net*	7.00%
Projected salary increases*	4.25% - 11.25%
Cost of living adjustments (COLA)	0.00%
*Includes inflation at	2.50%

For determining the total pension liability post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

For determining the 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 pre-retirement 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 2022 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 & Comoany, based upon their analysis of past experience and expectations of the

future. The assumption changes were effective for actuarial valuations beginning January 1, 2023. 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, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	35%	8.93%
Equity long/short	6%	7.47%
Private markets	34%	10.31%
Fixed income - Rates	10%	5.45%
Fixed income - Credit	5%	6.90%
Absolute return	9%	6.49%
Cash	1%	3.92%
Total	100%	

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

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

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Proportion share of the net pension liability (asset)	\$ 13,024,669	\$ 1,889,311	\$ (7,334,369)

Subsequent Events. During 2022, House Bill 22-1034 was signed into law. This legislation combines the assets and liabilities of the Statewide Defined Benefit Plan and Statewide Hybrid Plan to form the Statewide Retirement Plan effective January 1, 2023. The Statewide Retirement Plan became the Defined Benefit Component of the Statement Retirement Plan.

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

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

Plan description. The Statewide Hybrid Plan (SWH) is a cost-sharing multiple employer defined benefit pension plan covering full-time firefighters and police officers from departments that elect coverage. The SWH plan may also cover clerical staff, other fire district personnel whose services are auxiliary to fire protection, or chiefs who have opted out of the Statewide Defined Benefit Plan. As of January 1, 2023, the Statewide Hybrid Plan and Statewide Defined Benefit Plan have merged to form the Statewide Retirement Plan (SRP) and the Statewide Hybrid Plan becomes the Hybrid Component of the Statewide Retirement Plan.

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

The SWH 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. Effective January 1, 2023, any member may qualify for normal retirement if the member's combined years of service and age equal at least 80, with a minimum age of 50 (Rule of 80).

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. For service credit granted through December 31, 2022 the benefit factor used to calculate the member's retirement benefit is 1.9 percent of the average of the member's highest three years' pensionable earnings. This change in benefit factor was also applied to retired members effective January 1, 2023 as part of the formation of the Statewide Retirement Plan. 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.

A member is eligible for early retirement within the Defined Benefit Component after 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, a member may elect to have all contributions, along with 5 percent as interest, returned as a lump sum distribution from the Defined Benefit Component. Alternatively, a member with at least five years of accredited service may leave contributions with the Defined Benefit Component of the 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' pensionable earnings for each year of credited service.

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. Effective January 1, 2023, the minimum required contribution rate for both employers and members will increase 0.125 percent annually through 2030 to reach a final minimum required contribution rate of 9 percent for both employers and members.

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, 2021 through June 30, 2022 was 14.10 percent. The Defined Benefit Component contribution rate from July 1, 2022 through December 31, 2022 was 14.80 percent. Effective July 1, 2023 the Defined Benefit Component contribution rate is set at 13.90 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 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 \$56,334 for the year ended December 31, 2023.

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

At December 31, 2023, the District reported an asset of \$49,363 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset was based upon the January 1, 2023 actuarial valuation, which was unchanged from December 31, 2022. The District's proportion of the net pension asset was based on the District's share of contributions to the pension plan relative to the contributions of all participating members. At December 31, 2022, the District's proportion was 3.384%, which was a decrease of 1.463% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the District recognized a pension expense of \$956,060. At December 31, 2023, 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	\$ 217,142	\$ —
Changes of assumptions or other inputs	56,449	—
Net difference between projected and actual earnings on pension plan investments	201,460	—
Changes in proportion and differences between contributions recognized and proportionate share of contributions	823,652	78,096
Contributions subsequent to the measurement date	56,334	—
Total	\$ 1,355,037	\$ 78,096

The \$56,334 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended December 31, 2024. 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
2024	\$ 336,968
2025	294,735
2026	242,128
2027	223,035
2028	98,139
Thereafter	25,601
Total	\$ 1,220,607

Actuarial assumptions. The January 1, 2023 actuarial valuation used the following actuarial assumptions and other inputs:

	Total Pension Liability
Actuarial valuation date	January 1, 2023
Actuarial method	Entry Age Normal
Amortization method	N/A
Amortization period	N/A
Long-term investment rate of return, net*	7.00%
Projected salary increases*	4.25% - 11.25%
Cost of living adjustments (COLA)	0.00%
*Includes inflation at	2.50%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The preretirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

For determining the 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 pre-retirement 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 2022 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA’s actuaries, Gabriel, Roeder, Smith & Company, based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2023. 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, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	35%	8.93%
Equity long/short	6%	7.47%
Private markets	34%	10.31%
Fixed income - Rates	10%	5.45%
Fixed income - Credit	5%	6.90%
Absolute return	9%	6.49%
Cash	1%	3.92%
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)	372,739	(49,363)	(403,461)

Subsequent Events. During 2022, House Bill 22-1034 was signed into law. This legislation combines the assets and liabilities of the Statewide Defined Benefit Plan and Statewide Hybrid Plan to form the Statewide Retirement Plan effective January 1, 2023. The Statewide Hybrid Plan became the Hybrid Defined Benefit Component of the Statewide Retirement Plan.

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

8) Other Postemployment Benefit Plan

Retiree Health Savings Plan

The District has a single-employer defined benefit other postemployment benefit (OPEB) plan, Retiree Health Savings Plan (RHS). For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to

OPEB, and OPEB expense have been determined on the same basis as they are reported by the OPEB. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Description

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

Benefits Provided

The RHS benefit is provided by the District to assist employees in building a fund for retirement health care expenses. Individuals are eligible to access these funds at the time of separation from service. Employees are automatically enrolled in the plan upon hire. There are two components to the RHS plan. First, the annual contribution for active employees where firefighter employees receive a District contribution of \$2,484 annually and administrative staff employees receive a District contribution of \$1,459 annually. Second, the District guarantees a minimum RHS balance at separation of employment to eligible employees. This eligibility is determined using a combination of years of service and employees’ age upon separation and the minimum guaranteed RHS balance is reduced based on age.

Actuarial Assumptions

For the total OPEB liability in December 31, 2023, actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Measurement Date	December 31, 2023
Actuarial Cost Method	Entry Age Normal
Discount Rate	3.26% per annum
Benefit Increase Rate	3% per annum
Medical Eligibility	All current and future retirees
Mortality	Due to the nature of the benefit design and the current structure that the employee's RHS fund balance is not lost or reverted to the employer upon death, mortality assumption is not reflected as a conservative approach given the employee's estate can fully utilize the benefit.

The actuarial assumptions used in the December 31, 2023, valuations were based on the results of an actuarial experience study for the period January 1, 2022 through December 31, 2022. The underlying census data is the same as that used in the prior valuation results, except only those deemed terminated during 2023 from the 2022 census are reflected to be paid-out as of December 31, 2023. At the end December 31, 2023, there were 757 active and eligible employees covered by the benefit.

The discount rate was based on the 20-year, tax-exempt municipal bond rate. The discount rate was updated from 3.72% to 3.26% since the beginning of the fiscal year.

Total OPEB Liability

The District's total OPEB liability of \$19,134,635 was measured as of December 31, 2023, and was determined by a roll-forward actuarial valuations as of that date.

Changes in the total OPEB liability are:

	<u>2023</u>
Total OPEB liability, beginning of year	\$ 17,078,780
Changes for the year:	
Service cost	1,801,638
Interest cost	691,429
Difference between expected and actual experience	(435,082)
Changes in assumptions	585,116
Benefit payment	(587,246)
Net changes	<u>2,055,855</u>
Total OPEB liability, end of year	<u><u>\$ 19,134,635</u></u>

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

The total OPEB liability of the District has been calculated using a discount rate of 3.26%. The following presents the total OPEB liability using a discount rate 1 percent higher and 1 percent lower than the current discount rate:

	1% Decrease (2.26%)	Current Discount Rate (3.26%)	1% Increase (4.26%)
District's total OPEB liability	\$ 20,454,000	\$ 19,134,635	\$ 17,873,000

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

	1% Decrease	Current Health Care Cost Trend Rates	1% Increase
District's total OPEB liability	\$ 17,174,000	\$ 19,134,635	\$ 21,363,000

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

For the year ended December 31, 2023, the District recognized OPEB expense of \$1,751,543. At December 31, 2023, the District reported deferred outflows or resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ —	\$ 399,584
Changes of assumptions or other inputs	537,377	1,707,901
Total	<u>\$ 537,377</u>	<u>\$ 2,107,485</u>

Other amounts reported as deferred inflows of resources at December 31, 2023, related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31	Net Deferred (Inflows) of
2024	\$ (154,278)
2025	(154,278)
2026	(154,278)
2027	(154,278)
2028	(154,278)
Thereafter	(798,718)
Total	\$ (1,570,108)

9) **Other Employee savings plans**

Deferred compensation plans

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

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

For the year ended December 31, 2023, District contributed and recognized as expense \$2,766,544. Employees are 100% vested upon date of hire, therefore, there were no forfeitures returned to the plan during 2023.

NOTE 13 - TAX, SPENDING AND DEBT LIMITATIONS

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

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

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

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

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

NOTE 14 – CONTINGENCY

Litigation

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

REQUIRED SUPPLEMENTARY INFORMATION

**SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property taxes	\$ 124,574,007	\$ 124,029,742	\$ (544,265)
Specific ownership taxes	9,690,566	9,841,160	150,594
Grants	1,085,400	1,243,490	158,090
Charges for service - transports	13,270,944	14,092,457	821,513
Charges for service - plan review fees	2,300,625	2,241,971	(58,654)
Medicaid supplemental fee	7,368,878	7,433,403	64,525
Dispatch fees	133,092	140,092	7,000
Intergovernmental and other reimbursements	1,908,394	3,583,844	1,675,450
Investment income	—	2,932,163	2,932,163
Lease rental income	186,947	195,706	8,759
Miscellaneous revenue	131,912	251,140	119,228
Total revenues	<u>160,650,765</u>	<u>165,985,168</u>	<u>5,334,403</u>
EXPENDITURES			
Public safety			
Operations	113,781,020	109,614,007	4,167,013
Administration	39,390,887	37,412,168	1,978,719
Fire Marshal	5,919,246	5,630,848	288,398
Dispatch	4,328,646	3,992,537	336,109
Debt service lease and subscriptions - principal	—	1,996,317	(1,996,317)
Debt service lease and subscriptions - interest	—	123,714	(123,714)
Capital outlay	—	815,307	(815,307)
Total expenditures	<u>163,419,799</u>	<u>159,584,898</u>	<u>3,834,901</u>
Excess of revenues over (under) expenditures	<u>(2,769,034)</u>	<u>6,400,270</u>	<u>9,169,304</u>
OTHER FINANCING SOURCES (USES)			
Lease and subscriptions issuance	—	1,069,348	1,069,348
Sale of capital assets	135,000	412,771	277,771
Total other financing sources (uses)	<u>135,000</u>	<u>1,482,119</u>	<u>1,347,119</u>
Net change in fund balances	(2,634,034)	7,882,389	10,516,423
Fund balances - beginning of year	40,393,074	42,026,486	1,633,412
Fund balances - end of year	<u>\$ 37,759,040</u>	<u>\$ 49,908,875</u>	<u>\$ 12,149,835</u>

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

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

Measurement period ending December 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Pension Liability									
Service Cost	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Interest on Total Pension Liability	48,963	48,346	46,295	45,556	43,700	41,885	40,058	37,551	34,085
Benefit changes		—	—	—	—	—	—	—	510,948
Difference between Expected and Actual Experience	20,301	—	(14,675)	—	24,121	—	(10,046)	—	(22,627)
Changes of Assumptions	—	—	30,490	—	17,714	—	—	—	(2,005)
Benefit Payments	(77,243)	(77,742)	(73,559)	(70,308)	(70,308)	(69,265)	(66,682)	(64,932)	(109,960)
Net Change in Pension Liability	\$ (7,979)	\$ (29,396)	\$ (11,449)	\$ (24,752)	\$ 15,227	\$ (27,380)	\$ (36,670)	\$ (27,381)	\$ 410,441
Total Pension Liability - Beginning	690,760	682,781	653,385	641,936	617,184	632,411	605,031	568,361	540,980
Total Pension Liability - Ending	\$ 682,781	\$ 653,385	\$ 641,936	\$ 617,184	\$ 632,411	\$ 605,031	\$ 568,361	\$ 540,980	\$ 951,421
Plan Fiduciary Net Position									
Employer Contributions	\$27,895	\$27,596	\$28,670	\$28,670	\$ —	\$61,238	\$ 45,550	\$45,550	\$ 94,767
Pension Plan Net Investment Income	26,156	6,604	17,007	41,017	1,128	33,879	26,007	33,793	(20,991)
Benefit Payments	(77,243)	(77,742)	(73,559)	(70,308)	(70,308)	(69,265)	(66,682)	(64,932)	(109,960)
Pension Plan Administrative Expense	(978)	(1,865)	(788)	(4,773)	(4,733)	(5,348)	(4,496)	(7,271)	(5,341)
Net Change in Fiduciary Net Position	\$ (24,170)	\$ (45,407)	\$ (28,670)	\$ (5,394)	\$ (73,913)	\$ 20,504	\$ 379	\$ 7,140	\$ (41,525)
Plan Fiduciary Net Position - Beginning	413,501	389,331	343,924	315,254	309,860	235,947	256,451	256,830	263,970
Plan Fiduciary Net Position - Ending	\$ 389,331	\$ 343,924	\$ 315,254	\$ 309,860	\$ 235,947	\$ 256,451	\$ 256,830	\$ 263,970	\$ 222,445
Net Pension Liability/(Asset) Ending	\$ 293,450	\$ 309,461	\$ 326,682	\$ 307,324	\$ 396,464	\$ 348,580	\$ 311,531	\$ 277,010	\$ 728,976
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	57.02 %	52.64 %	49.11 %	50.21 %	37.31 %	42.39 %	45.19 %	48.79 %	23.38 %
Covered Employee Payroll	N/A								
Net Pension Liability as a Percentage of Covered Employee Payroll	N/A								

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

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

Measurement period ending December 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Pension Liability									
Service Cost	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Interest on Total Pension Liability	23,088	23,439	22,781	23,373	22,456	24,080	23,225	22,995	21,094
Benefit Changes	—	—	—	—	—	—	—	—	347,399
Difference between Expected and Actual Experience	21,632	—	5,285	—	46,692	—	9,345	—	(11,614)
Changes of Assumptions	—	—	13,362	—	11,763	—	—	—	1,457
Benefit Payments	(47,577)	(32,220)	(32,220)	(34,907)	(36,300)	(36,300)	(36,300)	(35,400)	(65,400)
Net Change in Pension Liability	\$ (2,857)	\$ (8,781)	\$ 9,208	\$ (11,534)	\$ 44,611	\$ (12,220)	\$ (3,730)	\$ (12,405)	\$ 292,936
Total Pension Liability - Beginning	<u>331,202</u>	<u>328,345</u>	<u>319,564</u>	<u>328,772</u>	<u>317,238</u>	<u>361,849</u>	<u>349,629</u>	<u>345,899</u>	<u>333,494</u>
Total Pension Liability - Ending	<u>\$328,345</u>	<u>\$ 319,564</u>	<u>\$ 328,772</u>	<u>\$ 317,238</u>	<u>\$ 361,849</u>	<u>\$ 349,629</u>	<u>\$ 345,899</u>	<u>\$ 333,494</u>	<u>\$ 626,430</u>
Plan Fiduciary Net Position									
Employer Contributions	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 4,140	\$ 11,311	\$ 11,311	\$ 48,233
Pension Plan Net Investment Income	24,758	6,357	16,253	42,320	573	36,827	31,368	38,253	(22,662)
Benefit Payments	(47,577)	(32,220)	(32,220)	(34,907)	(36,300)	(36,300)	(36,300)	(35,400)	(65,400)
Pension Plan Administrative Expense	(941)	(1,631)	(766)	(3,458)	(3,227)	(3,889)	(3,224)	(5,627)	(3,715)
Net Change in Fiduciary Net Position	\$ (23,760)	\$ (27,494)	\$ (16,733)	\$ 3,955	\$ (38,954)	\$ 778	\$ 3,155	\$ 8,537	\$ (43,544)
Plan Fiduciary Net Position - Beginning	<u>374,986</u>	<u>351,226</u>	<u>323,732</u>	<u>306,999</u>	<u>310,954</u>	<u>272,000</u>	<u>272,778</u>	<u>275,933</u>	<u>284,470</u>
Plan Fiduciary Net Position - Ending	<u>\$351,226</u>	<u>\$ 323,732</u>	<u>\$ 306,999</u>	<u>\$ 310,954</u>	<u>\$ 272,000</u>	<u>\$ 272,778</u>	<u>\$ 275,933</u>	<u>\$ 284,470</u>	<u>\$ 240,926</u>
Net Pension Liability/(Asset) Ending	\$ (22,881)	\$ (4,168)	\$ 21,773	\$ 6,284	\$ 89,849	\$ 76,851	\$ 69,966	\$ 49,024	\$ 385,504
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	106.97 %	101.30 %	93.38 %	98.02 %	75.17 %	78.02 %	79.77 %	85.30 %	38.46 %
Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

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

Measurement period ending December 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Pension Liability									
Service Cost	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Interest on Total Pension Liability	323,296	317,279	321,975	316,762	311,152	305,634	254,807	247,687	231,930
Benefit Changes	—	—	—	—	—	—	—	—	—
Difference between Expected and Actual Experience	—	(151,064)	—	(2,929)	—	(353,791)	—	(132,085)	—
Assumption Changes	—	296,129	—	—	—	268,236	—	—	—
Benefit Payments	(404,573)	(402,436)	(396,933)	(385,824)	(391,541)	(377,681)	(371,496)	(356,974)	(359,091)
Net Change in Pension Liability	\$ (81,277)	\$ 59,908	\$ (74,958)	\$ (71,991)	\$ (80,389)	\$ (157,602)	\$ (116,689)	\$ (241,372)	\$ (127,161)
Total Pension Liability - Beginning	4,509,247	4,427,970	4,487,878	4,412,920	4,340,929	4,260,540	4,102,938	3,986,249	3,744,877
Total Pension Liability - Ending	\$4,427,970	\$ 4,487,878	\$ 4,412,920	\$ 4,340,929	\$ 4,260,540	\$ 4,102,938	\$ 3,986,249	\$ 3,744,877	\$3,617,716
Plan Fiduciary Net Position									
Employer Contributions	\$ 201,921	\$ 201,921	\$ 201,921	\$ 214,110	\$ —	\$ 430,845	\$ 216,735	\$ 216,735	\$ 216,735
Employee Contributions	—	—	—	—	—	—	—	—	—
Pension Plan Net Investment Income	160,764	45,805	118,377	298,155	5,886	255,681	208,704	249,749	(167,473)
Benefit Payments	(404,573)	(402,436)	(396,933)	(385,824)	(391,541)	(377,681)	(371,496)	(356,974)	(359,090)
Pension Plan Administrative Expense	(6,875)	(3,687)	(5,643)	(2,568)	(5,157)	(3,070)	(4,457)	(3,089)	(5,220)
Net Change in Fiduciary Net Position	\$ (48,763)	\$ (158,397)	\$ (82,278)	\$ 123,873	\$ (390,812)	\$ 305,775	\$ 49,486	\$ 106,421	\$ (315,048)
Plan Fiduciary Net Position - Beginning	2,500,186	2,451,423	2,293,026	2,210,748	2,334,621	1,943,809	2,249,584	2,299,070	2,405,491
Plan Fiduciary Net Position - Ending	\$2,451,423	\$ 2,293,026	\$ 2,210,748	\$ 2,334,621	\$ 1,943,809	\$ 2,249,584	\$ 2,299,070	\$ 2,405,491	\$2,090,443
Net Pension Liability/(Asset) Ending	\$1,976,547	\$ 2,194,852	\$ 2,202,172	\$ 2,006,308	\$ 2,316,731	\$ 1,853,354	\$ 1,687,179	\$ 1,339,386	\$1,527,273
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	55.36 %	51.09 %	50.10 %	53.78 %	45.62 %	54.83 %	57.68 %	64.23 %	57.78 %
Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

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

Measurement period ending December 31,	<u>2022</u>	<u>2023</u>
Total OPEB Liability		
Service cost	\$ 2,262,960	\$ 1,801,638
Interest cost	400,035	691,429
Changes of benefit terms	—	—
Differences between expected and actual experience	—	(435,082)
Changes of assumptions or other inputs	(2,040,939)	585,116
Benefit Payments	(1,398,985)	(587,246)
Net Change in OPEB Liability	\$ (776,929)	\$ 2,055,855
Total OPEB Liability - Beginning	17,855,709	17,078,780
Total OPEB Liability - Ending	\$ 17,078,780	\$ 19,134,635
Covered Employee Payroll	\$ 82,142,530	\$ 88,903,331
Total OPEB Liability as a Percentage of Covered Employee Payroll	21%	22%

Actuarial measurement date	December 31, 2023
Actuarial method	Entry Age Normal based on level of percentage of projected salary
Amortization method	Experience/Assumptions gains and losses are amortized over a closed period of 12.2 years starting the current fiscal year, equal to the average remaining service of active and inactive plan members (who have no future service).
Benefit increase rate	3% per annum. The rate is discretionary.
Termination	The rate of withdrawal is based on the withdrawal assumption used in the 2021 Fire and Police Pension Association Statewide Defined Benefit Plan Actuarial valuation. The rate of withdrawal for reasons other than death and retirement is dependent on an employee's age and years of service.
Retirement age	Sample retirement ages and associated probabilities are based on the 2021 Fire and Police Pension Association Statewide Defined Benefit Plan Actuarial Valuation. In order to account for the Plan's additional District contribution per the rule of 75, we have extended the over 25 YoS retirement age table through age 64.

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

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

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

Measurement period ending December 31,	2017	2018	2019	2020	2021	2022
District's proportionate (percentage) of the collective net pension liability (asset)	0.871%	2.998%	2.781%	2.613%	2.414%	2.128%
District's proportionate share of the collective pension liability (asset)	\$ 1,253,117	\$ 3,790,142	\$ (1,572,926)	\$ (5,673,024)	\$ (13,079,974)	\$ 1,889,311
Covered payroll	\$ 5,126,225	\$ 5,954,853 *	\$ 18,688,319	\$ 19,514,338	\$ 19,806,860	\$ 18,526,902
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	24.45%	63.65%	-8.42%	-29.07%	-66.04%	10.20%
Plan fiduciary net position as a percentage of the total pension liability	106.34%	95.20%	101.90%	106.70%	116.20%	97.60%

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

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

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

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

Measurement period ending December 31,	2018	2019	2020	2021	2022
District's proportionate (percentage) of the collective net pension liability (asset)	6.858%	5.217%	4.654%	4.847%	3.384%
District's proportionate share of the collective pension liability (asset)	\$ (946,680)	\$ (1,015,894)	\$ (1,279,952)	\$ (1,837,850)	\$ (49,363)
Covered payroll	N/A *	\$ 807,926	\$ 790,383	\$ 820,057	\$ 623,520
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A *	-125.74%	-161.94%	-224.11%	-7.92%
Plan fiduciary net position as a percentage of the total pension liability	123.46%	130.06%	137.99%	149.01%	101.38%

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

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

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

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

FY Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2023	\$ 94,767	\$ 94,767	\$ —	N/A	N/A
2022	94,767	94,767	—	N/A	N/A
2021	45,550	45,550	—	N/A	N/A
2020	45,550	45,550	—	N/A	N/A
2019	30,619	30,619	—	N/A	N/A
2018	30,619	30,619	—	N/A	N/A
2017	28,670	28,670	—	N/A	N/A
2016	28,670	28,670	—	N/A	N/A
2015	27,895	27,596	299	N/A	N/A
2014	27,895	27,895	—	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
2023	\$ 48,233	\$ 48,233	\$ —	N/A	N/A
2022	48,233	48,233	—	N/A	N/A
2021	11,311	11,311	—	N/A	N/A
2020	11,311	11,311	—	N/A	N/A
2019	2,070	2,070	—	N/A	N/A
2018	2,070	2,070	—	N/A	N/A
2017	—	—	—	N/A	N/A
2016	—	—	—	N/A	N/A
2015	—	—	—	N/A	N/A
2014	—	—	—	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
2023	\$ 216,735	\$ 216,735	\$ —	N/A	N/A
2022	216,735	216,735	—	N/A	N/A
2021	216,735	216,735	—	N/A	N/A
2020	216,735	216,735	—	N/A	N/A
2019	216,735	216,735	—	N/A	N/A
2018	214,110	214,110	—	N/A	N/A
2017	214,110	214,110	—	N/A	N/A
2016	201,921	201,921	—	N/A	N/A
2015	201,921	201,921	—	N/A	N/A
2014	206,100	201,921	4,179	N/A	N/A

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

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

FY Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2023	\$ 1,726,851	\$ 1,726,851	\$ —	\$ 17,946,057	9.62%
2022	1,666,658	1,666,658	—	18,526,902	9.00%
2021	1,655,277	1,655,277	—	19,806,860	8.36%
2020	1,679,084	1,679,084	—	19,514,338	8.60%
2019	1,611,495	1,611,495	—	18,688,319	8.62%
2018	458,903	458,903	—	5,954,853	7.71%

Notes:

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

	<u>Actuarial Determined Contributions</u>
Actuarial valuation date	January 1, 2022
Actuarial method	Entry Age Normal
Amortization method	Level % of Payroll, Open
Amortization period	30 years
Long-term investment rate of return*	7.00%
Projected salary increases*	4.25% - 11.25%
Cost of living adjustments (COLA)	0.00%
*Includes inflation at	2.50%

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

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

FY Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2023	\$ 56,334	\$ 56,334	\$ —	\$ 563,342	10.00%
2022	62,306	59,850	2,456	623,520	9.99%
2021	82,057	82,057	—	820,057	10.01%
2020	79,038	79,038	—	790,383	10.00%
2019	80,793	80,793	—	807,926	10.00%

Notes:

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

	Actuarial Determined Contributions
Actuarial valuation date	January 1, 2022
Actuarial method	Entry Age Normal
Amortization method	Level % of Payroll, Open
Amortization period	30 years
Long-term investment rate of return, net*	7.00%
Projected salary increases*	4.25% - 11.25%
Cost of living adjustments (COLA)	0.00%
*Includes inflation at	2.50%

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

**SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

NOTE 1 – BUDGETARY BASIS

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

NOTE 2 – SCHEDULE OF CONTRIBUTIONS

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

1. Parker Fire Protection District Volunteer Pension Fund

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

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	2.5%
Salary Increases	N/A
Investment Rate of Return	7.00%
Retirement Age	50% Per Year of Eligibility Until 100% at Age 65.
Mortality	Pre-retirement: 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality.

**SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 DECEMBER 31, 2023**

(Continued)

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

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

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

2. South Metro Fire Rescue Volunteer Pension Fund

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

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	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

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

DECEMBER 31, 2023

(Continued)

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

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

3. Cherry Hills Old Hire Fire Pension Fund

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

Actuarial Cost Method	Entry Age Normal
Amortization Method	N/A
Remaining Amortization Period	N/A
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	6.50%
Retirement Age	Any remaining actives are assumed to retire immediately.

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

DECEMBER 31, 2023

(Continued)

Mortality

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

Disabled (pre-1980): Post-retirement rates set forward three years.

**SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GENERAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
REVENUE		
Property taxes	\$ 124,029,742	\$ 124,988,592
Specific ownership taxes	9,841,160	9,508,226
Grants	1,243,490	167,080
Charges for service - transports	14,092,457	12,769,267
Charges for service - plan review fees	2,241,971	2,450,898
Medicaid supplemental fee	7,433,403	6,951,772
Dispatch fees	140,092	121,721
Intergovernmental and other reimbursements	3,583,844	1,989,489
Investment income (loss)	2,932,163	(222,190)
Miscellaneous revenue	195,706	145,132
Lease rental income	251,140	209,514
	<u>165,985,168</u>	<u>159,079,501</u>
EXPENDITURES		
Public Safety		
Operations	109,614,007	103,360,737
Administration	37,412,168	37,018,066
Fire Marshal	5,630,848	5,486,597
Dispatch	3,992,537	3,930,886
Debt service lease and subscriptions - principal	1,996,317	449,044
Debt service lease and subscriptions - interest	123,714	5,291
Capital outlay	815,307	2,054,133
Total expenditures	<u>159,584,898</u>	<u>152,304,754</u>
Excess (deficiency) of revenue over expenditures	6,400,270	6,774,747
OTHER FINANCING SOURCES (USES)		
Transfers to other funds	-	(15,000,000)
Lease and subscriptions issuance	1,069,348	194,968
Sale of capital assets	412,771	1,695,905
Total other financing sources (uses)	1,482,119	(13,109,127)
Net change in fund balance	7,882,389	(6,334,380)
Fund balances - beginning of year	<u>42,026,486</u>	<u>48,360,866</u>
Fund balances - end of year	<u>\$ 49,908,875</u>	<u>\$ 42,026,486</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, 2023 AND 2022**

	2023	2022
REVENUE		
Property taxes	\$ 281,353	\$ 284,099
Specific ownership taxes	18,577	18,007
Investment income	56,643	18,116
Total revenue	356,573	320,222
EXPENDITURES		
Administration	4,228	4,270
Contribution to pension plan	216,735	216,735
Total expenditures	220,963	221,005
Excess of revenue over expenditures	135,610	99,217
Fund balances - beginning of year	852,733	753,516
Fund balances - end of year	\$ 988,343	\$ 852,733

**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, 2023**

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUE			
Property taxes	\$ 283,358	\$ 281,353	\$ (2,005)
Specific ownership taxes	19,835	18,577	(1,258)
Investment income	10,000	56,643	46,643
Total revenue	<u>313,193</u>	<u>356,573</u>	<u>43,380</u>
EXPENDITURES			
Administration	4,250	4,228	22
Contribution to pension plan	216,735	216,735	—
Operating	979	—	979
Total expenditures	<u>221,964</u>	<u>220,963</u>	<u>1,001</u>
Excess of revenue over expenditures	<u>91,229</u>	<u>135,610</u>	<u>44,381</u>
Fund balances - beginning of year	<u>844,682</u>	<u>852,733</u>	<u>8,051</u>
Fund balance - end of year	<u>\$ 935,911</u>	<u>\$ 988,343</u>	<u>\$ 52,432</u>

**SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUND
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023	2022
REVENUE		
Investment income	\$ 348,550	\$ 262,517
Excise taxes	728,625	480,365
Contribution revenue	1,695,000	—
Total revenue	<u>2,772,175</u>	<u>742,882</u>
EXPENDITURES		
Equipment capital outlay	4,439,826	130,512
Vehicle capital outlay	4,076,553	4,392,862
Buildings and grounds capital outlay	2,601,148	2,446,488
Software	223,047	—
Leases - building and equipment	76,203	2,042,732
Debt service lease payments - principal	—	103,261
Debt service lease payments - interest	—	15,595
Total expenditures	<u>11,416,777</u>	<u>9,131,450</u>
Deficiency of revenue over expenditures	<u>(8,644,602)</u>	<u>(8,388,568)</u>
OTHER FINANCING SOURCES (USES)		
Transfers from other funds	—	15,000,000
Lease and subscriptions issuance	—	2,042,732
Total other financing sources (uses)	<u>—</u>	<u>17,042,732</u>
Net change in fund balance	(8,644,602)	8,654,164
Fund balances - beginning of year	<u>20,120,213</u>	<u>11,466,049</u>
Fund balances - end of year	<u>\$ 11,475,611</u>	<u>\$ 20,120,213</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, 2023**

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUE			
Investment income	\$ —	\$ 348,550	\$ 348,550
Excise taxes	480,000	728,625	248,625
Contribution revenue	—	1,695,000	1,695,000
Total revenue	<u>480,000</u>	<u>2,772,175</u>	<u>2,292,175</u>
EXPENDITURES			
Operations	106,311	132,794	(26,483)
Administration	17,423,697	272,690	17,151,007
Capital outlay	—	11,011,293	(11,011,293)
Total expenditures	<u>17,530,008</u>	<u>11,416,777</u>	<u>6,113,231</u>
Net change in fund balance	(17,050,008)	(8,644,602)	8,405,406
Fund balance - beginning of year	21,439,782	20,120,213	(1,319,569)
Fund balance - end of year	<u>\$ 4,389,774</u>	<u>\$ 11,475,611</u>	<u>\$ 7,085,837</u>

**SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUNDS AVAILABLE
BUDGET TO ACTUAL - BUDGETARY BASIS
BUILDING RENTAL FUND
YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUE				
Lease rental income	\$ 651,542	\$ 651,542	\$ 631,582	\$ (19,960)
Lease interest income	—	—	7,529	7,529
Total revenue	<u>651,542</u>	<u>651,542</u>	<u>639,111</u>	<u>(12,431)</u>
EXPENDITURES				
Building and grounds maintenance	589,093	613,793	613,793	—
Capital outlay	65,375	43,984	43,984	—
Total expenditures	<u>654,468</u>	<u>657,777</u>	<u>657,777</u>	<u>—</u>
Net change in fund balances	<u>(2,926)</u>	<u>(6,235)</u>	<u>(18,666)</u>	<u>(12,431)</u>
Funds available - beginning of year	<u>517,643</u>	<u>517,643</u>	<u>483,206</u>	<u>(34,437)</u>
Funds available - end of year	<u>\$ 514,717</u>	<u>\$ 511,408</u>	<u>\$ 464,540</u>	<u>\$ (46,868)</u>
Reconciliation to GAAP basis				
Excess of revenue (under) expenditures			\$ (18,666)	
Capital purchases			24,665	
Depreciation			<u>(332,228)</u>	
Net income - GAAP basis			<u>\$ (326,229)</u>	
Funds available at December 31, 2021				
are computed as follows:				
Funds available - end of year			\$ 464,540	
Net investment in capital assets			<u>5,347,107</u>	
			<u>\$ 5,811,647</u>	

DESCRIPTION OF STATISTICAL SECTION CONTENTS

December 31, 2023

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.

110-113

Revenue Capacity:

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

114-118

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.

119-121

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.

122-124

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.

125-127

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities	Restated				Restated	Restated				
Net invested in capital and lease assets	\$35,572,670	\$40,310,492	\$45,859,677	\$49,544,941	\$63,425,921	\$75,411,948	\$76,995,272	\$75,283,384	\$74,406,518	\$77,571,659
Restricted	1,677,229	1,677,229	1,859,413	1,907,503	1,216,495	1,453,217	5,024,028	6,073,619	22,002,083	8,013,074
Unrestricted	46,813,523	41,729,011	33,889,278	31,389,743	31,821,955	53,509,303	52,421,108	58,224,837	29,002,889	39,080,050
Total governmental activities net position	\$84,063,422	\$83,716,732	\$81,608,368	\$82,842,187	\$96,464,371	\$130,374,468	\$134,440,408	\$139,581,840	\$125,411,490	\$124,664,783
Business-type activities										
Net invested in capital and lease assets	\$7,533,403	\$7,080,071	\$6,760,140	\$5,623,230	\$6,303,231	\$5,987,080	\$5,994,538	\$5,990,896	\$5,654,670	\$5,347,107
Unrestricted	4,317,329	5,323,063	6,722,583	2,673,249	2,273,623	2,433,901	2,413,718	402,427	483,206	464,540
Total business-type activities net position	\$11,850,732	\$12,403,134	\$13,482,723	\$8,296,479	\$8,576,854	\$8,420,981	\$8,408,256	\$6,393,323	\$6,137,876	\$5,811,647
Primary government										
Net invested in capital and lease assets	\$43,106,073	\$47,390,563	\$52,619,817	\$55,168,171	\$69,729,152	\$81,399,028	\$82,989,810	\$81,274,280	\$80,061,188	\$82,918,766
Restricted	1,677,229	1,677,229	1,859,413	1,907,503	1,216,495	1,453,217	5,024,028	6,476,046	22,002,083	8,013,074
Unrestricted	51,130,852	47,052,074	40,611,861	34,062,992	34,095,578	55,943,204	54,834,826	58,224,837	29,486,095	39,544,590
Total primary government net position	\$95,914,154	\$96,119,866	\$95,091,091	\$91,138,666	\$105,041,225	\$138,795,449	\$142,848,664	\$145,975,163	\$131,549,366	\$130,476,430

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

Expenses	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:	Restated				Restated	Restated				
Operations	\$ 42,244,360	\$ 37,210,868	\$ 38,237,300	\$ 47,931,085	\$ 66,461,430	\$ 90,702,140	\$ 104,286,977	\$ 101,426,388	\$ 123,401,598	\$ 114,026,891
Administration	13,902,184	20,249,118	24,680,189	19,019,862	22,518,212	34,162,182	28,148,043	33,421,508	44,255,426	47,068,391
Fire Marshal	3,383,915	2,430,675	2,699,413	2,862,739	3,182,917	4,842,321	5,143,336	5,328,172	5,513,590	5,665,557
Dispatch	-	-	-	-	-	-	3,159,531	3,307,622	3,944,869	4,658,298
Total governmental activities expenses	\$ 59,530,459	\$ 59,890,661	\$ 65,616,902	\$ 69,813,686	\$ 92,162,559	\$ 129,706,643	\$ 140,737,887	\$ 143,483,690	\$ 177,115,483	\$ 171,419,137
Business-type activities:										
Building rental	\$ 1,096,244	\$ 1,087,384	\$ 864,682	\$ 858,801	\$ 589,904	\$ 988,600	\$ 885,152	\$ 824,751	\$ 1,020,870	\$ 965,340
Ambulance transports	3,798,215	3,960,029	3,776,570	3,125,249	-	-	-	-	-	-
Total business-type activities expenses	\$ 4,894,459	\$ 5,047,413	\$ 4,641,252	\$ 3,984,050	\$ 589,904	\$ 988,600	\$ 885,152	\$ 824,751	\$ 1,020,870	\$ 965,340
Total primary government expenses	\$ 64,424,918	\$ 64,938,074	\$ 70,258,154	\$ 73,797,736	\$ 92,752,463	\$ 130,695,243	\$ 141,623,039	\$ 144,308,441	\$ 178,136,353	\$ 172,384,477
Program Revenues										
Governmental activities:										
Operations	\$ 723,404	\$ 647,132	\$ 544,856	\$ 848,205	\$ 7,264,272	\$ 12,906,023	\$ 11,923,577	\$ 9,722,230	\$ 12,938,471	\$ 14,900,005
Administration	763,593	807,828	863,869	781,274	496,510	1,069,662	827,285	964,843	2,445,088	3,396,001
Fire Marshal	1,334,826	1,477,511	1,701,879	1,803,896	1,680,971	2,587,981	1,867,387	1,822,037	2,450,898	2,241,971
Metcom/Technical service	-	-	213,426	440,511	1,221,460	198,511	-	-	-	-
Dispatch	-	-	-	-	-	-	115,770	116,726	121,721	140,092
Contracted services - City of Littleton	-	-	-	-	-	9,092,902	-	-	-	-
Total governmental activities program revenues	\$ 2,821,823	\$ 2,932,471	\$ 3,324,030	\$ 3,873,886	\$ 10,663,213	\$ 25,855,079	\$ 14,734,019	\$ 12,625,836	\$ 17,956,178	\$ 20,678,069
Business-type activities:										
Building rental	\$ 1,561,458	\$ 1,450,494	\$ 1,447,718	\$ 1,287,984	\$ 820,434	\$ 781,682	\$ 837,182	\$ 809,823	\$ 765,319	\$ 639,111
Ambulance transports	4,034,584	4,034,916	4,210,217	4,575,987	-	-	-	-	-	-
Total governmental activities program revenues	\$ 5,596,042	\$ 5,485,410	\$ 5,657,935	\$ 5,863,971	\$ 820,434	\$ 781,682	\$ 837,182	\$ 809,823	\$ 765,319	\$ 639,111
Total primary government program revenues	\$ 8,417,865	\$ 8,417,881	\$ 8,981,965	\$ 9,737,857	\$ 11,483,647	\$ 26,636,761	\$ 15,571,201	\$ 13,435,659	\$ 18,721,497	\$ 21,317,180
Net (Expense)/Revenue										
Governmental activities	\$ (56,708,636)	\$(56,958,190)	\$(62,292,872)	\$(65,939,800)	\$(81,499,346)	\$(103,851,564)	\$(126,003,868)	\$(130,857,854)	\$(159,159,305)	\$(150,741,068)
Business-type activities	701,583	437,997	1,016,683	1,879,921	230,530	(206,918)	(47,970)	(14,928)	(255,551)	(326,229)
Total primary government net expense	\$ (56,007,053)	\$(56,520,193)	\$(61,276,189)	\$(64,059,879)	\$(81,268,816)	\$(104,058,482)	\$(126,051,838)	\$(130,872,782)	\$(159,414,856)	\$(151,067,297)
General Revenues										
Governmental activities:										
Property tax	\$ 51,354,176	\$ 51,684,596	\$ 53,737,956	\$ 54,069,865	\$ 71,775,702	\$ 97,206,003	\$ 113,457,721	\$ 114,866,725	\$ 125,272,691	\$ 124,311,095
Specific ownership tax	4,197,425	4,485,684	4,542,980	5,263,971	6,208,669	8,665,297	8,924,544	9,420,319	9,526,233	9,859,737
Excise taxes	-	-	-	-	-	-	347,056	577,988	480,365	728,625
Medicare/medicaid supplemental fee	-	-	-	-	-	-	5,076,521	6,191,645	6,951,772	7,433,403
Interest income (loss)	254,646	315,995	556,239	381,539	897,067	1,956,095	1,229,751	(93,890)	90,614	3,506,064
Gain (loss) on sale of assets	(821,111)	85,914	47,236	71,745	1,392,020	162,270	14,554	348,898	532,658	320,453
Intergovernmental and other reimbursement	-	-	-	-	-	-	-	-	1,822,409	3,583,844
Miscellaneous income	693,545	39,311	1,748,472	272,568	417,764	246,365	1,019,661	3,555,003	312,213	251,140
Transfers	(380,472)	-	-	7,164,540	-	-	-	1,132,598	-	-
Total governmental activities	\$ 55,298,209	\$ 56,611,500	\$ 60,632,883	\$ 67,224,228	\$ 80,691,222	\$ 108,236,030	\$ 130,069,808	\$ 135,999,286	\$ 144,988,955	\$ 149,994,361
Business-type activities:										
Miscellaneous income	\$ 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	-	-	-
Transfers	380,472	-	-	(7,164,540)	-	-	-	(2,000,000)	-	-
Total business-type activities	\$ 393,685	\$ 114,405	\$ 62,906	\$ (7,066,165)	\$ 49,845	\$ 51,045	\$ 35,245	\$ (1,999,901)	\$ -	\$ -
Total primary government	\$ 55,691,894	\$ 56,725,905	\$ 60,695,789	\$ 60,158,063	\$ 80,741,067	\$ 108,287,075	\$ 130,105,053	\$ 133,999,385	\$ 144,988,955	\$ 149,994,361
Change in Net Position										
Governmental activities	(1,410,427)	(346,690)	(1,659,989)	1,284,428	(808,124)	4,384,466	4,065,940	5,141,432	(14,170,350)	(746,707)
Business-type activities	1,095,268	552,402	1,079,589	(5,186,244)	280,375	(155,873)	(12,725)	(2,014,829)	(255,551)	(326,229)
Total primary government	\$ (315,159)	\$ 205,712	\$ (580,400)	\$ (3,901,816)	\$ (527,749)	\$ 4,228,593	\$ 4,053,215	\$ 3,126,603	\$ (14,425,901)	\$ (1,072,936)

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund	Restated				Restated					
Non-spendable	\$ 289,979	\$ 248,845	\$ 1,421,568	\$ 2,996,772	\$ 2,825,564	\$ 3,273,634	\$ 3,813,422	\$ 3,768,136	\$ 4,185,744	\$ 3,669,133
Restricted	1,677,229	1,677,229	1,855,245	1,907,503	358,245	832,863	4,334,557	4,377,298	4,941,307	4,954,067
Committed	—	—	—	—	—	—	—	31,501,896	—	—
Assigned	—	—	—	—	—	—	—	132,598	—	—
Unassigned	32,725,239	34,078,639	33,265,913	34,738,963	33,822,836	47,181,196	46,192,185	8,580,938	32,899,435	41,285,675
Total general fund	<u>\$34,692,447</u>	<u>\$36,004,713</u>	<u>\$36,542,726</u>	<u>\$39,643,238</u>	<u>\$37,006,645</u>	<u>\$51,287,693</u>	<u>\$54,340,164</u>	<u>\$48,360,866</u>	<u>\$ 42,026,486</u>	<u>\$49,908,875</u>
All Other Governmental Funds										
Non-spendable	—	—	—	—	—	—	—	5,466,332	8,447,917	5,382,371
Restricted: Cherry Hills Property Tax Fund	425,234	443,110	448,375	498,984	558,250	620,354	689,471	753,516	852,733	988,343
Restricted: Excise tax revenue	—	—	—	—	—	—	—	942,805	1,423,170	2,151,795
Committed	—	—	—	—	—	—	—	5,056,912	10,249,126	3,941,445
Assigned, reported in:										
Capital project funds	18,986,209	12,434,339	5,351,715	30,165	—	—	—	—	—	—
Special revenue funds:										
Parker Fire Protection District Fund	149,958	149,945	—	—	—	—	—	—	—	—
SMFR Fund	149,949	150,006	—	—	150,000	—	—	—	—	—
CFPD Fund	—	—	—	—	150,000	—	—	—	—	—
Total all other governmental funds	<u>\$19,711,350</u>	<u>\$13,177,400</u>	<u>\$ 5,800,090</u>	<u>\$ 529,149</u>	<u>\$ 858,250</u>	<u>\$ 620,354</u>	<u>\$ 689,471</u>	<u>\$12,219,565</u>	<u>\$ 20,972,946</u>	<u>\$12,463,954</u>

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues	Restated				Restated	Restated				
Property taxes	\$ 51,354,176	\$ 51,684,596	\$ 53,737,957	\$ 54,069,865	\$ 71,775,702	\$ 97,206,003	\$ 113,457,721	\$ 114,866,725	\$ 125,272,691	\$ 124,311,095
Specific ownership taxes	4,197,425	4,485,684	4,542,980	5,263,971	6,208,669	8,665,297	8,924,544	9,420,319	9,526,233	9,859,737
Excise taxes	-	-	-	-	-	-	347,056	577,988	480,365	728,625
Net investment earnings	254,646	315,995	556,239	381,539	897,067	1,956,095	1,223,376	(94,533)	58,443	3,337,356
Charges for service - transports*	-	-	-	-	6,089,477	9,980,440	9,695,303	11,691,509	12,769,267	14,092,457
Charges for service - plan review fees**	-	-	-	-	1,637,111	2,535,506	1,808,045	1,822,037	2,450,898	2,241,971
Contracted services	-	-	-	-	-	9,092,902	312,120	318,362	-	-
Medicare/Medicaid supplemental fee	-	-	-	-	-	2,345,340	5,543,184	6,191,645	6,951,772	7,433,403
Dispatch fees**	-	-	-	-	1,035,219	106,494	115,770	116,726	121,721	140,092
Intergovernmental and other reimbursements**	-	-	-	-	1,082,535	1,184,460	2,037,085	1,720,567	1,989,489	3,583,844
Lease rental income	247,862	203,673	217,357	155,553	151,091	173,195	180,249	209,527	209,514	195,706
Grants and contributions	-	-	-	-	-	-	-	-	167,080	2,938,490
Other	3,267,508	2,768,108	3,126,271	3,990,901	1,085,546	683,108	1,138,445	302,111	145,132	251,140
Total Revenues	59,321,617	59,458,056	62,180,804	63,861,829	89,962,417	133,928,840	144,782,898	147,142,983	160,142,605	169,113,916
Expenditures										
Public Safety										
Administration	11,801,328	17,954,589	21,497,558	22,069,455	27,541,683	33,425,842	31,675,249	31,338,790	39,609,550	37,905,821
Operations	40,218,314	37,132,243	38,150,318	41,677,165	60,006,147	85,370,644	93,884,423	99,043,648	103,467,049	109,746,801
Fire Marshal	3,369,134	2,484,518	2,698,514	2,889,075	3,164,295	4,736,858	5,076,746	5,326,911	5,486,597	5,630,848
Dispatch	-	-	-	-	-	-	3,095,996	3,164,907	3,930,886	3,992,537
Debt Service ***										
Principal	46,093	-	-	-	-	-	-	-	552,305	1,996,317
Interest	1,885	-	-	-	-	-	-	-	20,886	123,714
Capital outlay	4,179,098	7,273,541	7,764,767	5,576,244	9,539,066	3,101,567	8,062,884	6,480,942	8,589,936	11,826,600
Total expenditures	59,615,852	64,844,891	70,111,157	72,211,939	100,251,191	126,634,911	141,795,298	145,355,198	161,657,209	171,222,638
Excess of revenue over (under) expenditures	\$3,409,877	\$(5,221,983)	\$(7,930,353)	\$(8,350,110)	\$(10,288,774)	\$7,293,929	\$2,987,600	\$1,787,785	\$(1,514,604)	\$(2,108,722)
Other Financing Sources (Uses)										
Lease and subscriptions issuance	-	-	-	-	-	-	-	2,041,002	2,237,700	1,069,348
Sale of capital assets	3,704,112	164,852	47,236	71,745	1,392,020	162,270	133,988	589,411	1,695,905	412,771
Transfer from other funds	58,286,717	55,182,986	1,445,577	6,107,936	88,794,752	106,889,940	-	17,497,415	15,000,000	-
Transfer (to) other funds	(58,667,189)	(55,182,986)	(401,757)	-	(88,794,752)	(106,889,940)	-	(16,364,817)	(15,000,000)	-
Total other financing sources (uses)	3,323,640	164,852	1,091,056	6,179,681	1,392,020	162,270	133,988	3,763,011	3,933,605	1,482,119
Net change in fund balances	\$3,029,405	\$(5,221,983)	\$(6,839,297)	\$(2,170,429)	\$(8,896,754)	\$7,456,199	\$3,121,588	\$5,550,796	\$2,419,001	\$(626,603)
Debt service as a percentage of noncapital expenditures	0.1 %	—%	—%	—%	—%	—%	—%	—%	0.4 %	1.3 %

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

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

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

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

Fiscal Year	Property Tax	Specific Ownership Tax	Total
2014	51,354,176	4,197,425	55,551,601
2015	51,684,596	4,485,684	56,170,280
2016	53,737,957	4,542,980	58,280,937
2017	54,069,865	5,263,971	59,333,836
2018	71,775,702	6,208,669	77,984,371
2019	97,206,003	8,665,297	105,871,300
2020	113,457,721	8,924,544	122,382,265
2021	114,866,725	9,420,319	124,287,044
2022	125,272,691	9,526,233	134,798,924
2023	124,311,095	9,859,737	134,170,832

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
2014	4,492,201,404	432,556,019	35,928,957,116	1,491,624,062	9.25	13.16 %	7.96 %
2015*	4,850,713,475	544,797,418	40,930,196,129	1,886,348,738	9.25	12.60 %	7.96 %
2016	5,663,707,647	585,259,348	48,575,497,159	2,033,871,376	9.25	12.35 %	7.96 %
2017	5,719,186,598	609,450,211	49,293,495,859	2,101,534,429	9.25	12.31 %	7.96 %
2018**	6,959,830,755	609,646,295	64,769,394,048	2,102,342,901	9.25	11.32 %	7.20 %
2019***	9,833,539,324	791,205,973	97,289,094,814	2,727,335,684	9.25	10.62 %	7.20 %
2020	12,050,269,207	896,312,573	120,934,573,594	3,091,455,902	9.25	10.44 %	7.15 %
2021	12,174,310,839	899,099,709	122,665,417,907	3,100,635,856	9.25	10.40 %	7.15 %
2022	13,273,841,117	877,088,648	132,820,283,126	3,026,518,643	9.32	10.42 %	7.15 %
2023****	13,178,700,013	888,912,602	135,036,508,481	3,066,961,882	9.29	10.19 %	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.

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

Source: Arapahoe, Douglas and Jefferson County Assessors

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

Government	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
South Metro Fire Rescue	9.250	9.250	9.250	9.250	9.250	9.250	9.250	9.250	9.319	9.288
Cunningham Fire Protection District	—	—	—	—	14.603	14.600	9.250	—	—	—
Parker Fire Protection District	12.978	12.978	—	—	—	—	—	—	—	—
<u>Cities and Towns</u>										
City of Castle Pines	4.500	4.500	4.500	4.500	4.500	4.500	4.500	4.500	4.500	4.500
City of Centennial	5.015	5.030	5.026	2.087	5.003	5.002	5.033	5.033	5.013	5.008
City of Greenwood Village	2.932	2.932	2.932	2.932	2.932	2.932	2.932	2.932	2.932	2.932
City of Lakewood						4.711	4.711	4.711	4.711	4.711
City of Littleton						6.662	2.000	2.000	2.000	2.000
City of Lone Tree	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Town of Foxfield	20.400	20.400	20.400	20.400	4.982	4.982	4.982	4.982	4.982	4.982
Town of Parker	2.602	2.602	2.602	2.602	2.602	2.602	2.602	2.602	2.602	2.602
<u>Counties</u>										
Arapahoe County	16.950	14.856	14.039	14.039	13.301	11.685	11.685	12.013	11.762	12.750
Douglas County	19.774	19.774	18.774	24.274	24.274	24.274	24.274	24.274	24.024	24.024
Jefferson County	25.978	25.978	26.978	26.978	26.978	24.274	22.332	23.578	26.241	26.978
<u>School Districts</u>										
Cherry Creek School District #5	56.702	49.703	53.232	49.687	49.995	46.997	49.724	49.012	49.012	49.863
Douglas County School District	48.277	42.439	42.439	41.064	44.950	43.840	43.504	43.504	43.797	42.836
Littleton Public School	56.601	53.424	53.030	53.030	51.166	56.945	64.740	64.744	64.936	67.061
Jefferson County R-1 School District	50.370	50.170	47.490	45.940	42.878	49.410	47.070	48.105	45.520	46.133
<u>Other Local Governments</u>	745.807	686.991	646.746	636.321	663.375	611.781	580.611	526.838	780.400	786.180

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	2023			2014		
	Assessed Value	Rank	Per Cent of Total	Assessed Value	Rank	Per Cent of Total
Park Meadows Mall LLC	114,258,560	1	0.66%			
HCA Healthone LLC	103,213,900	2	0.60%			
Catholic Health Initiatives	72,893,330	3	0.42%			
Martin Marietta Corporation	67,498,350	4	0.39%			
Granite Place LLC	36,145,008	5	0.21%			
Prime Us-Village Center Station II LLC	36,002,997	6	0.21%			
CS Lone Tree LLC	34,596,560	7	0.20%			
Kaiser Foundation Hospitals	34,277,760	8	0.20%			
6340 Fiddlers Green Circle LP	33,854,418	9	0.20%	32,045,000	2	0.93%
Greenwood Property Corp	29,286,630	10	0.17%			
Verizon Wireless				49,733,504	1	1.44%
Qwest Corp				23,984,568	3	0.70%
GPI Plaza Tower				23,925,000	4	0.70%
Public Service of Colorado				21,954,346	5	0.64%
Palazzo Verdi LLC				13,920,000	6	0.40%
Village Center Station I				12,470,001	7	0.36%
Peakview Tower				12,470,000	8	0.36%
CREF Tuscany Plaza LLC				12,383,001	9	0.36%
IKEA Property				11,901,310	10	0.35%
	\$ 562,027,513		3.26 %	\$ 214,786,730		6.24 %

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
2014	51,865,957	51,584,734	99.46 %	(230,558)	51,354,176	99.01 %	91,320	0.176 %
2015	51,944,348	51,898,770	99.91 %	(214,174)	51,684,596	99.50 %	125,705	0.242 %
2016	54,129,916	53,737,957	99.28 %	(13,654)	53,724,302	99.25 %	31,830	0.059 %
2017	54,235,662	54,128,981	99.80 %	(59,116)	54,069,865	99.69 %	335,944	0.619 %
2018	72,172,841	71,765,691	99.44 %	10,011	71,775,702	99.45 %	275,428	0.382 %
2019	97,531,612	97,206,003	99.67 %	(138,940)	97,067,063	99.52 %	657,420	0.674 %
2020	114,041,893	113,457,721	99.49 %	(121,646)	113,336,075	99.38 %	677,768	0.594 %
2021	115,446,511	114,866,725	99.50 %	(129,244)	114,737,481	99.39 %	944,418	0.818 %
2022	126,008,116	125,272,691	99.42 %	39,830	125,312,521	99.45 %	521,274	0.414 %
2023	124,857,365	123,835,668	99.18 %	475,427	124,311,095	99.56 %	1,010,845	0.810 %

Source: Finance Department

Note: Net of tax credits and abatements.

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

Fiscal Year	Governmental Activities				Business Type Certificates of Participation	Total Primary Government	Per Capita
	General Obligation Bonds	Lease Liability	Subscription Liability	Certificates of Participation			
2014	—	—	—	—	—	—	—
2015	—	—	—	—	—	—	—
2016	—	—	—	—	—	—	—
2017	—	—	—	—	—	—	—
2018	—	—	—	—	—	—	—
2019	—	—	—	—	—	—	—
2020	—	—	—	—	—	—	—
2021	—	—	—	—	—	—	—
2022	—	3,258,042	—	—	—	3,258,042	5.57
2023	—	2,665,223	1,355,660	—	—	4,020,883	6.71

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, 2023

	Net Debt Outstanding	Percentage Applicable to District*	Amount Applicable to District
DIRECT:			
South Metro Fire Rescue	\$ 4,020,883	100 %	\$ 4,020,883
OVERLAPPING:			
Jefferson County	41,624,976	6 %	2,497,499
Cherry Creek School District #5	577,160,000	65 %	375,154,000
Douglas County School District	296,905,000	71 %	210,802,550
Jefferson County R-1 School District	810,256,142	6 %	48,615,369
Littleton Public School District	364,166,195	5 %	18,208,310
City of Lakewood	7,626,162	2 %	152,523
City of Littleton	297,137	98 %	291,194
City of Lone Tree	385,240	100 %	385,240
Town of Parker	51,955,000	100 %	51,955,000
Other Local Governments	652,120,608	78 %	508,849,095
Total Overlapping Debt	<u>\$ 2,806,517,343</u>		<u>\$ 1,220,931,662</u>
Total Direct & Overlapping Debt			<u>\$ 1,220,931,662</u>

Source: South Metro Fire Rescue Fire Protection District Finance

Various entities provided outstanding debt information

Assessed value data used to estimate the applicable percentages provided by the Assessor's offices of Douglas, Arapahoe, and Jefferson Counties

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

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

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

	Fiscal Year				
	2014	2015	2016	2017	2018
Total Assessed Value	\$ 4,920,392,972	\$ 4,971,618,704	\$ 5,760,702,401	\$ 5,837,254,988	\$ 7,823,668,573
Debt Limit - 50% of total assessed value (1)	2,460,196,486	2,485,809,352	2,880,351,201	2,918,627,494	3,911,834,287
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>\$ 2,460,196,486</u>	<u>\$ 2,485,809,352</u>	<u>\$ 2,880,351,201</u>	<u>\$ 2,918,627,494</u>	<u>\$ 3,911,834,287</u>

	2019	2020	2021	2022	2023
	Total Assessed Value	\$ 12,387,082,905	\$ 12,986,634,357	\$ 14,061,183,368	\$ 13,979,077,519
Debt Limit - 50% of total assessed value (1)	6,193,541,453	6,493,317,179	7,030,591,684	6,989,538,760	8,620,043,545
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>\$ 6,193,541,453</u>	<u>\$ 6,493,317,179</u>	<u>\$ 7,030,591,684</u>	<u>\$ 6,989,538,760</u>	<u>\$ 8,620,043,545</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
2014	314,574	\$ 66,088	36.5	55.8 %	67,000	4.00 %
2015	321,964	\$ 67,576	38.5	61.0 %	66,702	3.00 %
2016	328,088	\$ 68,560	36.6	61.0 %	67,000	2.50 %
2017	335,668	\$ 71,208	36.0	57.5 %	68,000	2.20 %
2018	342,776	\$ 73,662	38.9	58.0 %	68,880	2.60 %
2019	362,954	\$ 78,455	39.8	58.4 %	67,591	2.30 %
2020	357,978	\$ 78,980	40.1	58.6 %	67,305	5.30 %
2021	368,990	\$ 87,841	40.4	59.2 %	62,979	4.10 %
2022	375,988	\$ 99,168	40.5	60.0 %	63,876	2.50 %
2023	383,906	N/A	N/A	N/A	62,872	3.00 %

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

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

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

Fiscal Year	Population	Per Capita Income (1)	Median Age	Education Level (2)	School Enrollment (3)	Unemployment Rate
2014	618,798	\$ 53,297	35.0	38.8 %	54,226	4.10 %
2015	630,637	\$ 54,476	36.7	39.0 %	54,449	3.20 %
2016	638,571	\$ 55,116	36.1	39.0 %	54,695	2.60 %
2017	644,132	\$ 56,642	35.0	40.7 %	54,178	2.80 %
2018	651,215	\$ 60,180	37.1	41.6 %	54,852	3.80 %
2019	653,143	\$ 64,477	37.4	42.8 %	55,839	2.30 %
2020	655,070	\$ 66,691	37.8	43.4 %	56,228	7.20 %
2021	654,900	\$ 74,267	38.3	44.5 %	53,587	5.80 %
2022	655,808	\$ 76,304	38.0	44.9 %	52,392	3.10 %
2023	656,061	N/A	N/A	N/A	N/A	3.20 %

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

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

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

Fiscal Year	Population	Per Capita Income (1)	Median Age	Education Level (2)	School Enrollment (3)	Unemployment Rate
2019	582,308	\$ 66,571	41.0	45.5 %	84,623	2.50 %
2020	582,928	\$ 69,118	41.3	46.7 %	84,048	7.10 %
2021	579,581	\$ 74,822	41.5	47.9 %	80,088	5.00 %
2022	580,774	\$ 80,367	41.7	49.1 %	69,000	3.00 %
2023	576,366	N/A	N/A	N/A	N/A	3.10 %

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

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

(3) Jefferson County R-1 School District

Sources: Federal Reserve Bank of St. Louis, Colorado Division of Local Government Demographics, Jefferson County Economic Development Corp., and U.S Census Bureau- Jefferson County

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

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

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

(3) Jefferson County R-1 School District

**South Metro Fire Rescue Fire Protection District
Principal Employers
December 31, 2023**

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

Note: 2023 data was not available as of the publication date of this report.

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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Field Operations	288.00	279.00	302.00	332.00	401.00	608.00	641.00	596.00	612.00	626.00
Administration	20.00	32.00	34.00	35.00	71.00	77.00	80.00	78.00	91.00	94.00
Fire Marshal	17.00	19.00	23.00	28.00	34.00	28.00	30.00	34.00	34.00	31.00
Fleet Services	11.00	10.00	10.00	12.00	14.00	13.00	15.00	13.00	15.00	15.00
Ambulance *	19.00	19.00	22.00	-	-	-	-	-	-	-
Total FTE	355.00	359.00	390.75	407.00	520.00	726.00	766.00	721.00	752.00	766.00

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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Field Operations (in & out of district)										
Fire Calls	312	382	443	458	587	713	1,032	793	846	583
Emergency Medical Calls	11,322	11,458	11,552	12,139	16,375	27,810	26,620	30,299	32,658	33,654
Alarms	2,451	2,325	2,187	2,179	2,837	4,355	4,039	4,380	4,785	4,830
Others	1,873	1,766	1,751	1,442	2,324	3,079	2,915	3,162	3,509	3,124
Number of hours of firefighter training	56,914	65,664	80,035	52,472	51,545	104,236	115,378	109,276	135,692	101,591
Hours of officer trainings	7,443	7,222	5,770	3,761	2,403	16,593	20,614	17,699	14,430	3,705
Hours of driver/operator trainings	681	4,416	3,698	2,035	3,698	11,834	13,464	18,932	18,658	11,634
Support Services										
Square footage of building maintained	320,084	320,084	320,084	320,084	387,846	452,385	460,805	460,805	460,805	460,805
Life Safety Bureau & Preparedness										
Fire Investigations	301	286	330	310	474	600	185	129	719	737
Plan Reviews	4,872	4,877	3,517	4,189	5,879	6,215	5,050	5,709	7,053	6,542
Construction Inspections	7,038	6,772	3,799	5,568	6,502	6,183	5,662	5,994	7,077	7,627
Business Inspections	3,932	2,916	-	3,158	4,308	4,324	5,372	6,032	11,295	12,520
South Metro Safety Foundation Classes	92	91	122	163	165	287	84	143	174	172
Car seat checks	386	269	366	326	309	432	422	498	436	407
Apparatus/Crew resident attended	26,270	-	-	-	-	-	-	-	-	-
Prevention staff community/school students	30,857	-	-	9,847	37,748	44,641	12,116	38,841	24,857	21,401
Youth firesetter intervention	21	16	-	46	21	22	1	18	13	9
Fleet Services										
Total number of warranty repairs	37	62	28	13	44	12	25	23	3	-
Total billable shop labor hours	9,575	8,574	8,843	9,865	9,939	11,185	8,546	10,375	15,274	14,597
Shop productivity rate	74.0 %	71.4 %	83.5 %	85.5 %	84.6 %	90.2 %	98.0 %	70.0 %	76.7 %	73.6 %
Total number of repairs	2,854	2,501	2,911	3,198	3,153	3,868	4,252	6,378	3,920	3,607
Ambulance										
EMS Transports (in district only)	7,347	7,430	6,226	7,350	9,748	18,590	17,792	20,467	22,266	25,512
% of Transports to Castle Rock Adventist	-	-	-	-	1.16 %	0.57 %	0.53 %	0.85 %	1.53 %	1.29 %
% of Transports to Centennial Health	-	-	-	-	0.78 %	0.77 %	0.83 %	2.06 %	2.91 %	2.88 %
% of Transports to Childrens Hospital	-	-	-	-	1.06 %	1.91 %	1.56 %	2.25 %	2.39 %	3.13 %
% of Transports to Littleton Hospital	13.03 %	10.42 %	5.00 %	5.05 %	2.42 %	30.48 %	27.87 %	25.50 %	23.89 %	24.06 %
% of Transports to Medical Center of Aurora	-	-	-	-	11.27 %	5.96 %	5.45 %	5.20 %	4.99 %	5.14 %
% of Transports to Parker Adventist Hospital	27.85 %	30.86 %	34.00 %	36.65 %	33.78 %	17.86 %	18.96 %	16.69 %	16.68 %	16.10 %
% of Transports to Porter Adventist Hospital	1.18 %	1.20 %	1.00 %	1.05 %	0.97 %	0.59 %	0.62 %	0.62 %	0.62 %	0.31 %
% of Transports to Rose Medical Center	-	-	-	-	0.41 %	0.32 %	0.26 %	0.36 %	0.30 %	0.26 %
% of Transports to Skyridge Medical Center	43.42 %	43.42 %	47.00 %	52.73 %	40.88 %	29.37 %	27.79 %	26.70 %	24.94 %	23.05 %
% of Transports to Southlands Medical	-	-	-	-	1.14 %	0.65 %	0.70 %	0.81 %	0.67 %	0.63 %
% of Transport to Swedish Medical Center	9.21 %	7.50 %	7.00 %	5.81 %	3.81 %	6.79 %	6.27 %	6.34 %	5.97 %	5.52 %
% of Transport to UC Health	-	-	-	-	-	4.21 %	8.69 %	11.96 %	14.27 %	13.14 %
% of Transports to University Hospital	-	-	-	-	1.42 %	0.21 %	0.09 %	0.16 %	0.08 %	3.70 %
% of Transports to All Others	-	-	-	-	0.90 %	0.32 %	0.38 %	0.51 %	0.75 %	0.80 %
Collection Rate	54.14 %	55.73 %	52.71 %	51.99 %	72.00 %	76.00 %	72.00 %	71.00 %	71.00 %	67.00 %

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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Field Operations										
Fire Stations	17	17	17	17	20	29	30	30	30	30
Communication towers	4	4	4	4	4	4	4	4	4	4
Training facility	1	1	1	1	1	1	1	1	1	1
Driving facility	1	1	1	1	1	1	1	1	1	1
Engines	19	19	18	23	33	32	32	30	36	36
Tenders	6	6	6	6	8	6	6	6	6	6
Quints	1	1	1	-	-	-	-	-	-	-
Squirts	-	-	-	-	2	-	-	-	-	-
Aerials	5	5	7	7	9	9	9	9	9	10
ARFF vehicles	2	2	3	3	3	3	3	3	3	5
Chief/Staff vehicles	15	15	15	16	20	18	17	9	12	12
BC Vehicles	6	6	9	8	14	13	13	12	16	16
Wildland vehicles	12	12	18	19	23	23	20	20	20	22
Hazmat vehicles	2	2	2	2	3	3	3	1	3	3
Utility vehicle	1	1	1	1	1	-	-	2	4	5
Snow Cat	1	1	1	1	1	1	1	1	-	-
Dive Unit	1	1	1	1	2	2	2	2	2	2
Watercraft	1	1	1	1	1	1	1	1	1	1
Heavy Rescue	1	1	3	2	7	4	4	4	4	4
Tow Vehicles	2	2	2	2	2	1	1	1	3	2
Command vehicle	1	1	1	1	1	1	-	-	-	-
Plow/Ladder testing truck	1	1	1	1	4	2	6	5	3	4
Trailers	15	15	15	20	27	28	27	27	24	24
Support Services										
Headquarters buildings	1	1	1	1	1	1	1	1	1	1
Pool vehicles	1	1	1	1	1	-	3	3	3	2
Chief/Staff vehicles	5	5	5	20	22	39	40	40	40	40
Storage locations	1	1	1	2	2	2	2	2	3	3
Fire Marshal										
Pool vehicles	2	2	2	1	1	3	3	3	2	2
Assigned vehicles	22	22	22	22	25	25	27	24	25	25
Fleet Services										
Repair shop	1	1	1	1	1	1	1	1	1	1
Repair vehicles	2	2	2	3	2	2	2	2	2	2
Parts vehicles	3	3	3	1	1	1	0	0	0	0
Pool vehicles	7	7	7	5	2	2	2	0	0	0
IMT Vehicle	1	1	1	1	3	0	0	0	0	0
Lift	2	2	2	1	9	13	13	12	12	12
Overhead crane	1	1	1	1	1	1	1	1	1	1
Ambulance										
Medic units	17	17	18	22	27	25	28	25	20	25
ARM vehicle	1	1	1	1	1	1	2	2	2	2
	153	153	167	191	246	245	252	232	240	250

Source: South Metro Fire Rescue Fire Protection District various departments