

***CIMARRON HILLS FIRE PROTECTION DISTRICT***

***FINANCIAL STATEMENTS***

***AND***

***REQUIRED SUPPLEMENTAL INFORMATION***

***AND***

***SUPPLEMENTAL INFORMATION***

***WITH***

***INDEPENDENT AUDITOR'S REPORT***

***DECEMBER 31, 2018***

**OSBORNE, PARSONS & ROSACKER, LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**

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**OSBORNE, PARSONS & ROSACKER, LLP**  
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## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Cimarron Hills Fire Protection District  
Colorado Springs, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of Cimarron Hills Fire Protection District (District) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## INDEPENDENT AUDITORS' REPORT - CONTINUED

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### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Cimarron Hills Fire Protection District, as of December 31, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Other Matters

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i-vii, the schedule of revenues, expenditures and changes in fund balance – budget and actual – General Fund on page 26, the schedule of the District's proportionate share of the net pension liability/(asset) on page 27, and the schedule of employer contributions on page 28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Supplemental Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplemental information is the responsibility of management, was derived from, and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Osborne, Parsons & Hosack LLP*

Colorado Springs, Colorado  
July 18, 2019

***MANAGEMENT'S DISCUSSION AND ANALYSIS***

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED DECEMBER 31, 2018**

The management of the Cimarron Hills Fire Protection District (District) offers readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2018. Readers are encouraged to consider the information presented here in conjunction with the annual financial report.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements presented are comprised of three components:

- 1) Government-wide financial statements,
- 2) Fund financial statements, and
- 3) Notes to the financial statements.

This report also contains other supplemental information in addition to the financial statements.

**Government-Wide Financial Statements**

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances as a whole, in a manner similar to a private-sector business and includes two statements:

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

The *statement of activities* presents information showing how the District'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 government-wide financial statements (statement of net position and statement of activities) 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 general and administrative activities and fire and emergency medical services.

**Government-Wide Financial Highlights**

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$3,455,068, which represents the ending net position.
- The net position increased by \$362,454 from the prior year. Approximately 55% of the net position, \$1,914,540, is available for spending at the District's discretion, as reflected in unrestricted net position.

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED DECEMBER 31, 2018**

**OVERVIEW OF THE FINANCIAL STATEMENTS - Continued**

**Fund Financial Statements**

A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The fund financial statements provide more detailed information about the District's operations, focusing on its most significant funds, not the District as a whole. The District has only one fund, the General Fund, which is a governmental fund.

**Governmental Fund** - The District's basic services are included in this governmental fund, which focuses on (1) how money flows into and out of the fund and (2) the balances left at year-end that are available for spending or reserves. Consequently, the governmental fund statements provide a detailed short-term view that helps determine the status of financial resources that can be spent in the near future to finance the District's programs.

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. Thus, readers may better understand the long-term impact of the District's near-term financing decisions. To facilitate this comparison between governmental funds and governmental activities, reconciliations are provided for both the governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balance.

**General Fund Financial Highlights**

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$1,649,230, which represents the ending fund balance.
- The ending fund balance increased by \$240,389 from the prior year. Approximately 56% of the total fund balance, \$917,863, is available for spending at the District's discretion, as reflected in the unassigned fund balance.

**Notes to the Financial Statements** - The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Required Supplemental Information** - In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District. The District adopts an annual appropriated budget for the General Fund. A budgetary comparison schedule has been provided to allow for a direct comparison to each budget line item and to demonstrate compliance with the budget.

**Supplemental Information** – The District presents a detailed expenditure schedule showing budgeted and actual amounts for each expenditure line item and a five-year summary of assessed valuation, mill levy and property tax collected.

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED DECEMBER 31, 2018**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over a period of time as a useful indicator of the District's financial position. In the case of the District, total assets exceeded liabilities by \$3,455,068 as of December 31, 2018, as reflected in the total net position. Approximately 43% of the District's fund balance is in capital assets, net of related debt.

**Condensed Statement of Net Position - Two-Year Comparison**

	<u>2018</u>	<u>2017</u>	<u>Change</u>
<b>Assets</b>			
Current and Net Pension Assets	\$ 4,089,355	\$ 3,621,239	\$ 468,116
Capital Assets	<u>1,531,531</u>	<u>1,600,879</u>	<u>(69,348)</u>
Total Assets	5,620,886	5,222,118	398,768
<b>Deferred Outflows of Resources</b>	<u>239,607</u>	<u>279,583</u>	<u>(39,976)</u>
Total Assets and Deferred Outflows	<u>\$ 5,860,493</u>	<u>\$ 5,501,701</u>	<u>\$ 358,792</u>
<b>Liabilities</b>			
Current and Net Pension Liability	\$ 149,442	\$ 94,310	\$ 55,132
Long-Term and Net Pension Liability	<u>-</u>	<u>111,770</u>	<u>(111,770)</u>
Total Liabilities	149,442	206,080	(56,638)
<b>Deferred Inflows of Resources</b>	<u>2,255,983</u>	<u>2,203,007</u>	<u>52,976</u>
Total Liabilities and Deferred Inflows	<u>\$ 2,405,425</u>	<u>\$ 2,409,087</u>	<u>\$ (3,662)</u>
<b>Net Position</b>			
Net Investment in Capital Assets	\$ 1,471,528	\$ 1,483,375	\$ (11,847)
Restricted	69,000	63,840	5,160
Unrestricted	<u>1,914,540</u>	<u>1,545,399</u>	<u>369,141</u>
Total Net Position	<u>\$ 3,455,068</u>	<u>\$ 3,092,614</u>	<u>\$ 362,454</u>

**Comments - Assets**

In 2018, with anticipation of a future contract for services agreement with the City of Colorado Springs, the District continued to focus on minimizing spending and replenishing inventory only as needed for safe and effective operations, while ensuring the same level of high-quality service to the District. Two infrastructure upgrades included a new ramp at the Station and new LED lighting in the Station bay. Additionally, a new cardiac monitor was purchased for EMS response. The decrease in Fire and Medical Services also includes a net pension benefit of approximately \$67,000, compared to a net pension expense of approximately \$80,000 in 2017, due to changes in FPPA's net pension liability.

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED DECEMBER 31, 2018**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued**

**Comments - Liabilities**

Liabilities decreased due to scheduled payments on the long-term lease/purchase of the District's Quint, which is a combination pumper and aerial ladder apparatus. The final payment on this lease/purchase is scheduled for 2019. This is the Department's only long-term purchase.

**Condensed Statement of Activities - Two-Year Comparison**

	<u>2018</u>	<u>2017</u>	<u>Change</u>
<b>Expenses</b>			
General and Administrative	\$ 132,359	\$ 112,687	\$ 19,672
Fire and Emergency Medical Services	2,012,291	2,127,390	(115,099)
Interest on Long-term Debt	4,069	6,509	(2,440)
Total Expenses	<u>2,148,719</u>	<u>2,246,586</u>	<u>(97,867)</u>
<b>Revenues</b>			
Program Revenues			
Fire and Emergency	21,321	43,831	(22,510)
Grants and Contributions	26,739	19,958	6,781
General Revenues			
Property Taxes	2,170,553	1,921,143	249,410
Specific Ownership Tax	278,025	259,838	18,187
Miscellaneous	7,807	21,984	(14,177)
Investment Earnings	6,018	1,835	4,183
Insurance Recovery	710	-	710
Total Revenues	<u>2,511,173</u>	<u>2,268,589</u>	<u>242,584</u>
<b>Change in Net Position</b>	362,454	22,003	340,451
<b>Net Position - Beginning of Year</b>	<u>3,092,614</u>	<u>3,070,611</u>	<u>22,003</u>
<b>Net Position - End of Year</b>	<u>\$ 3,455,068</u>	<u>\$ 3,092,614</u>	<u>\$ 362,454</u>

**Comments - Expenses**

With a pending contract for services agreement and the potential impacts of Tabor and Gallagher on future revenue, spending continued to be curbed with the purchase of necessary items. Continuing with the 2017 staffing model and additional part-time personnel that are now certified to drive apparatus, the District saved an additional \$19,500 in overtime needed to cover the driver position alone. Training costs also continue to be lower as most training is now conducted in-house.

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED DECEMBER 31, 2018**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued**

**Comments - Revenues**

Although there was a decrease in fees related to inspection requests for commercial properties, the District saw an increase in assessed valuations.

**GENERAL FUND FINANCIAL ANALYSIS**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District accounts for all activity in a single general fund.

As discussed on page ii, the General Fund is the operating fund of the District. The ending fund balance was \$1,649,230, as reflected on page 5 of the financials. Of this amount \$69,000 was TABOR restricted as a required reserve fund.

**CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY**

The final payment on the current leased Quint apparatus will be made in June of 2019. 2018 capital funds that had been allocated to purchase a new Quint apparatus were held and carried over into 2019 to be used towards the purchase of a new Engine. The Board elected to save on the purchase price by paying for the new engine in full out of available funds. The District has no plans to incur any long-term debt.

**BUDGETARY HIGHLIGHTS**

The District's 2018 final budget had a total revenue of \$2,496,674. The District ended the year with a total actual revenue of \$2,511,173, representing a favorable variance of \$14,499.

The District's final budget had total expenditures of \$2,712,030. The District ended the year with actual audited expenditures of \$2,270,784. Actual expenditures had a favorable variance against budgeted expenditures of \$441,246. Funds allocated towards a down payment on a new apparatus lease and replacement bunker gear were pushed to 2019. Operational and Training Expenses came in well under budget, with significant savings in utilities, facility housekeeping supplies, and salary/benefits. Additionally, costs for plan reviews/inspections were 50% less than anticipated. It should also be noted that the District tracks its expenditures on a modified accrual basis. Under this method, the District spent less than 84% of its budgeted expenditures.

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED DECEMBER 31, 2018**

**BUDGETARY HIGHLIGHTS - Continued**

**Schedule of Revenues, Expenditures, & Change in Fund Balance, Budget & Actual - General Fund**

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
<b>Revenues</b>			
General Property Tax	\$ 2,200,374	\$ 2,170,553	\$ (29,821)
Specific Ownership Tax	230,000	278,025	48,025
Fire and Emergency Medical Services	44,000	48,060	4,060
Miscellaneous	20,500	8,517	(11,983)
Investment Earnings	1,800	6,018	4,218
<b>Total Revenues</b>	<u>2,496,674</u>	<u>2,511,173</u>	<u>14,499</u>
<b>Expenditures</b>			
Administrative	142,625	132,359	10,266
Operations	2,005,986	1,867,065	138,921
Maintenance	77,320	62,661	14,659
Training and Association Prevention, Safety, and Community Services	40,335	16,080	24,255
Debt Service	50,250	19,799	30,451
Capital Outlay	62,614	62,612	2
<b>Total Expenditures</b>	<u>332,900</u>	<u>110,208</u>	<u>222,692</u>
	<u>2,712,030</u>	<u>2,270,784</u>	<u>441,246</u>
<b>Net Change in Fund Balance</b>	(215,356)	240,389	455,745
<b>Beginning Fund Balance, January 1</b>	<u>1,214,334</u>	<u>1,408,841</u>	<u>194,507</u>
<b>Ending Fund Balance, December 31</b>	<u>\$ 998,978</u>	<u>\$ 1,649,230</u>	<u>\$ 650,252</u>

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED DECEMBER 31, 2018**

**ECONOMIC FACTORS (Next Year's Budget and Rates)**

The impact of Gallagher on future revenue is still a big concern as the initial projected reductions could reduce revenues as much as 25% for some Districts. As a result, the District has been evaluating sustainment options to include a contract for services agreement with the City of Colorado Springs.

In 2018, the Mill Levy was increased by .914 mills to fund the purchase of a new Quint/Engine, a new Squad, and to replace the tarmac (ramp) at the Station. This increase generated \$122,462, with overall revenue from general property tax coming in a bit lower than expected. As the economy continues to improve, property values are expected to rise, however the limitations imposed by Gallagher could offset assessed valuations and minimize increases in revenue needed to keep pace with inflation.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Cimarron Hills Fire Protection District, 1835 Tuskegee Pl., Colorado Springs, CO 80915.

***FINANCIAL STATEMENTS***

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2018**

	<u><b>Governmental Activities</b></u>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 1,608,649
Cash Held by County Treasurer	24,411
Prepaid Expenses	87,475
Property Tax Receivable	2,195,060
Capital Assets, Net of Depreciation	1,531,531
Net Pension Asset	173,760
<b>Total Assets</b>	<u><u>\$ 5,620,886</u></u>
 <b>Deferred Outflows of Resources</b>	
Pension	<u><u>\$ 239,607</u></u>
 <b>Liabilities</b>	
Accounts Payable	\$ 9,030
Wages and Compensated Absences Payable	79,321
Accrued Interest Payable	1,088
Lease Payable - Due Within One Year	60,003
<b>Total Liabilities</b>	<u><u>\$ 149,442</u></u>
 <b>Deferred Inflows of Resources</b>	
Property Taxes	\$ 2,195,060
Pension	60,923
<b>Total Deferred Inflows of Resources</b>	<u><u>\$ 2,255,983</u></u>
 <b>Net Position</b>	
Net Investment in Capital Assets	\$ 1,471,528
Restricted	69,000
Unrestricted	1,914,540
<b>Total Net Position</b>	<u><u>\$ 3,455,068</u></u>

See Notes to Financial Statements

**CIMARRON HILLS FIRE PROTECTION DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2018**

	Program Revenues				Net Program Expense
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Functions/Programs</b>					
<b>Governmental Activities</b>					
General and Administrative	\$ 132,359	\$ -	\$ -	\$ -	\$ (132,359)
Fire & Emergency Medical Services	1,913,751	21,321	13,168	13,571	(1,865,691)
Maintenance	62,661	-	-	-	(62,661)
Training and Associations	16,080	-	-	-	(16,080)
Prevention, Safety & Community Service	19,799	-	-	-	(19,799)
Interest Expense	4,069	-	-	-	(4,069)
<b>Total Governmental Activities</b>	<u>\$ 2,148,719</u>	<u>\$ 21,321</u>	<u>\$ 13,168</u>	<u>\$ 13,571</u>	<u>(2,100,659)</u>

<b>General Revenues</b>	
General Property Tax	2,170,553
Specific Ownership Tax	278,025
Miscellaneous	7,807
Investment Earnings	6,018
Insurance Recovery	710
<b>Total General Revenues</b>	<u>2,463,113</u>
<b>Change in Net Position</b>	362,454
<b>Net Position - Beginning</b>	<u>3,092,614</u>
<b>Net Position - Ending</b>	<u>\$ 3,455,068</u>

See Notes to Financial Statements

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUND - GENERAL FUND  
DECEMBER 31, 2018**

**ASSETS**

**Assets**

Cash and Cash Equivalents	\$	1,608,649
Cash Held by County Treasurer		24,411
Prepaid Expenses		87,475
Property Tax Receivable		<u>2,195,060</u>
<b>Total Assets</b>	<b>\$</b>	<b><u><u>3,915,595</u></u></b>

**LIABILITIES AND FUND BALANCE**

**Liabilities**

Accounts Payable	\$	9,030
Wages Payable		62,275
Total Liabilities		<u>71,305</u>

**Deferred Inflow of Resources**

Property Tax		<u>2,195,060</u>
Total Deferred Inflow of Resources		<u>2,195,060</u>

**Fund Balance**

Nonspendable		87,475
Restricted		69,000
Assigned		574,892
Unassigned		<u>917,863</u>
Total Fund Balance		<u>1,649,230</u>

<b>Total Liabilities, Deferred Inflow of Resources, and Fund Balance</b>	<b>\$</b>	<b><u><u>3,915,595</u></u></b>
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**CIMARRON HILLS FIRE PROTECTION DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2018**

<b>Total Fund Balance - Governmental Fund</b>	\$	1,649,230
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Amounts reported for governmental activities in the statement of net position are different because:

The net pension asset and related deferred items are not available for current period expenditures and are therefore not reported in the funds.

Net Pension Asset		173,760
Deferred Outflows of Resources - Pension		239,607
Deferred Inflows of Resources - Pension		(60,923)

Capital assets used in governmental activities are not financial resources, and therefore are not reported as assets in governmental funds.

Capital Assets		3,563,787
Accumulated Depreciation		(2,032,256)

Accrued interest is not due and payable in the current period, and therefore is not reported as a liability in the funds.

Accrued Interest End of Year		(1,088)
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Long-term liabilities, including compensated absences and capital leases, are not due and payable in the current period, and therefore are not reported as liabilities in the funds.

		(77,049)
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<b>Total Net Position - Governmental Activities</b>	<b>\$</b>	<b>3,455,068</b>
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**CIMARRON HILLS FIRE PROTECTION DISTRICT  
STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2018**

**Revenues**

General Property Tax	\$ 2,170,553
Specific Ownership Tax	278,025
Fire and Emergency Medical Services	48,060
Miscellaneous	7,807
Investment Earnings	6,018
<b>Total Revenues</b>	<b>2,510,463</b>

**Expenditures**

<b>Current</b>	
General and Administrative	132,359
Operations	1,867,065
Maintenance	62,661
Training and Associations	16,080
Prevention, Safety, and Community Service	19,799
Debt Service	62,612
Capital Outlay	110,208
<b>Total Expenditures</b>	<b>2,270,784</b>

**Other Financing Sources**

Insurance Recovery	710
<b>Total Other Financing Sources</b>	<b>710</b>

<b>Net Change in Fund Balance</b>	240,389
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<b>Fund Balance - Beginning</b>	1,408,841
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<b>Fund Balance - Ending</b>	<b>\$ 1,649,230</b>
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**CIMARRON HILLS FIRE PROTECTION DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE  
TO THE STATEMENT OF ACTIVITIES  
DECEMBER 31, 2018**

**Total Net Change in Fund Balance - Governmental Funds** \$ 240,389

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

Changes in the net pension asset and related deferrals do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 127,262

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

Depreciation Expense	(179,557)
Capital Outlay	110,208

Governmental funds report lease payments as expenses when paid, including principal payments. However, in the statement of activities the lease is capitalized and only interest is recognized as an expense when paid or accrued.

Lease Payment (Principal)	57,501
Prior Year Accrued Interest	2,130
Current Year Interest Accrual	(1,088)

Governmental funds report compensated absences as expenses when paid. However, in the statement of activities the expense is accrued.

Prior Year Compensated Absences Payable	22,655
Current Year Compensated Absences Payable	(17,046)

<b>Change in Net Position - Governmental Activities</b>	<b>\$ 362,454</b>
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***NOTES TO FINANCIAL STATEMENTS***

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Cimarron Hills Fire Protection District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting policies that are described below. The following is a summary of the significant accounting policies.

**Reporting Entity** - The District is a quasi-municipal corporation, governed pursuant to provisions of the Colorado Special District Act. The District was established to provide fire protection services and emergency medical services to citizens and property located within their jurisdiction.

The District's combined financial statements include the accounts of all District operations. The criteria for including organizations as component units within the District's reporting entity, as set forth in Section 2100 of GASB's *Codification of Government Accounting and Financial Reporting Standards*, include whether:

- The organization is legally separate (can sue and be sued in their own name).
- The District holds the corporate powers of the organization.
- The District appoints a voting majority of the organization's board.
- The District is able to impose its will on the organization.
- The organization has the potential to impose a financial benefit/burden on the District.
- There is fiscal dependency by the organization on the District.

Based on the aforementioned criteria, the District has no component units, nor is it a component unit of another unit.

**Government-Wide and Fund Financial Statements**

*Government-Wide Financial Statements* - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial information of the primary government. The statement of net position presents the financial condition of the governmental activities at year-end. The statement of activities presents a comparison between direct expenses and the program revenues for each program or function of the District's governmental activities. Program expenses are those that are specifically associated with a service, program, or department, and therefore, are clearly identifiable to a particular function. Program revenues include charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment. Other items not properly included among program revenues are reported instead as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Fund Financial Statements* - Fund financial statements of the reporting entity are organized into funds each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund balances, revenues and expenditures-expenses. Funds are organized into three major categories: governmental, proprietary and fiduciary.

The District reports the following major fund:

***Governmental Fund***

*General Fund* - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

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 they are needed.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

*Government-Wide Financial Statements* - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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 revenue as soon as all eligibility requirements imposed by the provider have been met.

*Governmental Fund Financial Statements* - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, generally only current assets and current liabilities are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. 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 to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting.

This reporting approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

**General Budget** - In accordance with the State Budget Law, the District's Board of Directors hold a public hearing in the fall of each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year-end. The District's Board of Directors can modify the budget line item within the total appropriation without notification.

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- A. Budgets are required by State law for all funds. By October 15, the District Manager submits to the District's Board of Directors a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them. All budgets lapse at year-end. Prior to December 31, the budget is adopted by formal resolution.
- B. Budgets are required to be filed with the State of Colorado within thirty days after the beginning of the fiscal year.
- C. Expenditures may not legally exceed appropriations at the fund level.
- D. Revisions that alter the total expenditures of any fund must be approved by the District's Board of Directors.
- E. Budgeted amounts reported in the accompanying financial statements are as originally adopted by the District's Board of Directors.

**Budget Basis of Accounting** - The modified accrual basis of accounting is used for budget purposes as well as financial reporting in the General Fund, except for capital lease refinancing. If the refinance does not generate or use cash proceeds, the refinances are not budgeted.

**Cash and Cash Equivalents** - Cash and invested cash are carried at fair value. For the purposes of the statement of cash flows, the District considers all highly liquid investments, including restricted assets, with a maturity of three months or less to be considered cash equivalents.

**Taxes Receivable** - Taxes receivable include current year property taxes, which become payable January 1 of the following year.

**Receivables** - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

**Capital Assets** - Capital assets are reported in the government-wide statements only. All capital assets are capitalized at cost (or estimated historical cost). Donated capital assets are recorded at their fair market values as of the dates received.

The District maintains a capitalization threshold of \$2,500. Improvements to capital assets are capitalized, and the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. All reported capital assets are depreciated, except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Pensions** - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Fire & Police Statewide Defined Benefit Plan and additions to/deductions from Fire & Police Statewide Defined Benefit Plan's fiduciary net position have been determined on the same basis as they are reported by the Fire & Police Pension Association of Colorado. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Compensated Absences** - Vacation benefits are accrued as a liability on the government-wide statements as the benefits are earned, if the employees' rights to receive compensation are attributable to services already rendered, and it is probable the employer will compensate the employees for the benefits through paid time off or some other means.

**Property Taxes** - Property taxes are reported as a receivable and a deferred inflow of resources when the levy is certified and as revenue when due for collection in the subsequent year. Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the El Paso County Assessor 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 December 31 of each year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally, sales of the tax liens on delinquent properties are normally held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The deferred inflow of resources is recorded as revenue in the year it is available or collected.

**Net Position Classifications**

Net position classification in the Government-Wide financial statements are as follows:

- *Net Investment in Capital Assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balance of any bonds, loans, notes or other borrowings that are attributable to the acquisition, construction or improvement of these assets.
- *Restricted Net Position* - Consists of net position with constraints placed on the use either by external groups, such as creditors, or laws or regulations of other governments.
- *Unrestricted Net Position* - Includes all other assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

**Fund Balances** - The governmental fund reports fund balance classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

Fund balance descriptions are presented below:

- *Nonspendable* - includes amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash such as inventories, prepaid items and long-term fund advances.
- *Restricted* - includes amounts that are restricted for specific purposes stipulated by external resource providers constitutionally or through enabling legislation.
- *Committed* - includes amounts that can only be used for the specific purposes determined by the passage of a resolution of the District's board of directors. Commitments may be modified or changed only by the District's board of directors approving a new resolution. Commitments also include contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- *Assigned* - includes amounts intended to be used by the District for specific purposes that are neither restricted nor committed. Intent is expressed by the District's board of directors to which the assigned amounts are to be used for specific purposes. Assigned amounts include appropriations of existing fund balance to eliminate a projected budgetary deficit in the subsequent year's budget.
- *Unassigned* - this is the residual classification for the general fund.

As of December 31, 2018, the District had nonspendable, restricted, assigned, and unassigned fund balances.

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications, fund balance is reduced in the order of restricted, committed, assigned and unassigned.

**Use of Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 1 – CASH, CASH EQUIVALENTS AND INVESTMENTS**

Cash and cash equivalents and consist of:

Demand Deposits	\$ 1,108,649
Time Deposit (1-month Maturity)	<u>500,000</u>
	<u>\$ 1,608,649</u>

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – CASH, CASH EQUIVALENTS AND INVESTMENTS – CONTINUED**

**Deposits** - The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by the financial institution. The eligible collateral is determined by the PDPA.

The PDPA allows the financial institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution and held in trust for all the uninsured public deposits as a group. Colorado State Statutes require the market value of the collateral to be at least 102 percent of the aggregate uninsured deposits.

The State Regulatory Commissions 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.

**Custodial Credit Risk** - Custodial credit risk is the risk that in the event of bank failure the District's deposits will not be returned to it. The District does not currently have a policy related to custodial credit risk. As of December 31, 2018, deposits with a bank balance of \$865,108 are uninsured but are not exposed to custodial credit risk because they are collateralized with securities held by the pledging financial institution through the PDPA.

**Credit Risk** - The District has not adopted a formal investment policy; however, the District follows State Statutes regarding investments.

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

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

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – CASH, CASH EQUIVALENTS AND INVESTMENTS – Continued**

**Interest Rate Risk** - Colorado Revised Statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with the debt service reserve or sinking fund requirements. As of December 31, 2018, the District held no investment securities.

**NOTE 2 – CAPITAL ASSETS**

Capital assets consist of:

<u>Type</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Useful Lives</u>
Land	\$ 151,656	\$ -	\$ 151,656	
Structures, Roads and Grounds	1,693,396	(751,279)	942,117	5 - 40 years
EMS/Medical Equipment	32,490	(5,415)	27,075	6 years
Office and Admin Equipment	15,044	(6,511)	8,533	7 - 15 years
General Equipment	390,145	(255,067)	135,078	5 - 15 years
Communications Equipment	121,370	(100,586)	20,784	7 years
Vehicles and Apparatus	1,159,686	(913,398)	246,288	5 - 15 years
	<u>\$ 3,563,787</u>	<u>\$ (2,032,256)</u>	<u>\$ 1,531,531</u>	

Capital asset activity for the year ended December 31, 2018, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Ending Balance</u>
Capital Assets, Not Being Depreciated				
Land	\$ 151,656	\$ -	\$ -	\$ 151,656
Capital Assets, Being Depreciated				
Structures, Roads and Grounds -				
All Locations	1,615,678	77,718	-	1,693,396
EMS/Medical Equipment	-	32,490	-	32,490
Office and Admin Equipment	15,044	-	-	15,044
General Equipment	390,145	-	-	390,145
Communications Equipment	121,370	-	-	121,370
Vehicles and Apparatus	1,159,686	-	-	1,159,686
<b>Total Capital Assets Being         Depreciated</b>	<b>3,301,923</b>	<b>110,208</b>	<b>-</b>	<b>3,412,131</b>
Less: Accumulated Depreciation	(1,852,699)	(179,557)	-	(2,032,256)
Capital Assets Being Depreciated, Net	1,449,224	(69,349)	-	1,379,875
<b>Total Capital Assets, Net</b>	<b>\$ 1,600,880</b>	<b>\$ (69,349)</b>	<b>\$ -</b>	<b>\$ 1,531,531</b>

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 – CAPITAL ASSETS – Continued**

Depreciation expense for the year ended December 31, 2018, was \$179,557, and was allocated to fire and emergency medical services.

**NOTE 3 – LONG-TERM LIABILITIES**

The following is a schedule of changes in long-term liabilities year ended December 31, 2018:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>	<b>Portion Due Within One Year</b>
<b>Capital Lease Obligation</b>	\$ 117,504	\$ -	\$ (57,501)	\$ 60,003	\$ 60,003

There was one capital lease outstanding as of December 31, 2018. For financial statement presentation, the lease obligation has been capitalized and the vehicle recorded as an asset of the District. The gross amount of asset recorded under capital lease is \$565,202 with accumulated depreciation of \$386,221. Capital lease amortization is included in depreciation expense.

	<b>Principal Balance</b>
Fire Truck and Equipment - Wells Fargo Leasing Services	
Lease term of 1 year with annual renewal options, annual payments of principle and interest due in July of each year. The lease bears an interest factor of 4.35%. The final maturity value, if all annual renewals are exercised, will be \$1 after the July 2019 payment.	
The lease purchase agreement does not constitute a general obligation debt of the District as defined by Colorado Revised Statutes as there is a annual appropriation clause in the lease agreement.	
	\$ 60,003

The following represents the debt service requirements to maturity of the debt of the District.

<b>December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2019	\$ 60,003	\$ 2,610	\$ 62,613

Interest incurred on the lease amounted to \$4,069 during the year ended December 31, 2018.

**NOTE 4 – COMPENSATED ABSENCES**

Paid personnel are entitled to take vacation annually. At December 31, 2018, there was \$17,046 in unpaid vacation benefits accrued.

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 – NET POSITION AND FUND BALANCES**

The District has a net position consisting of three components: 1) net investment in capital assets, 2) restricted, and 3) unrestricted.

*Net investment in capital assets* consists of capital assets, net of accumulated depreciation, reduced by outstanding debt that is attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2018, the District had net investment in capital assets as follows:

**Net Investment in Capital Assets**

Capital Assets, Net of Depreciation	\$ 1,531,531
Long-term Liabilities Due Within One Year	
Capital Leases	60,003
<b>Total Net Investment in Capital Assets</b>	<b>\$ 1,471,528</b>

The *restricted* component of net position includes net assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. As of December 31, 2018, the District had restricted net position as follows:

**Restricted Net Position**

TABOR Emergency Reserve (See NOTE 10)	\$ 69,000
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The *unrestricted* component of net position is the net amount of assets that do not meet the definition of net investment in capital assets or restricted net position. The District's unrestricted net position as of December 31, 2018, totaled \$1,914,540.

As of December 31, 2018, the fund balances were comprised of the following amounts:

Nonspendable	
Prepaid Insurance	\$ 87,475
Restricted	
Emergency (TABOR)	69,000
Assigned	
3-month O&M Reserve	574,892
Unassigned	
	917,863
<b>Total</b>	<b>\$ 1,649,230</b>

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 – FIRE & POLICE STATEWIDE DEFINED BENEFIT PLAN**

**Plan Description** - The Fire & Police Statewide Defined Benefit Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (new hires), provided that they are not already covered by a statutorily exempt plan. As of August 1, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Plan became effective January 1, 1980 and as of December 31, 2017, had 227 participating employer fire and police departments. Employers once had the option to elect to withdraw from the Plan, but a change in State statutes permitted no further withdrawals after January 1, 1988.

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. The Fire & Police Pension Association (FPPA) of Colorado issues a publicly available financial report that may be obtained at [www.fppaco.org](http://www.fppaco.org).

**Benefits Provided** - A member is eligible for a normal retirement pension once the member has completed 25 years of credited service and has attained the age of 55. The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Plan. Benefits paid to retired members are evaluated 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.

In addition, upon retirement a member may receive additional benefits credited to the member's Separate Retirement Account (SRA) each year after January 1, 1988. These are attributable to contributions in excess of the actuarially determined pension cost and the allocation of the net Fire & Police Members' Benefit Investment Fund earnings and losses thereon. Members do not vest in amounts credited to their SRA until retirement, and the Plan may use such stabilization reserve amounts to reduce pension cost in the event such cost exceeds contributions. It was previously mentioned that reentry members have a higher contribution rate. As a result, their SRA has two components; the standard SRA, and the reentry SRA. The component of a member's SRA attributable to the higher contribution rate is considered the reentry SRA. The reentry SRA cannot be used to subsidize the costs for the non-reentry members. Effective July 1, 2017, the standard SRA contribution rate for members of the Fire & Police Statewide Defined Benefit Plan was set at 0 percent. The reentry SRA contribution rate was set at 3.70 percent.

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' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 – FIRE & POLICE STATEWIDE DEFINED BENEFIT PLAN – Continued**

**Contributions** - The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for this plan are set by State statute. Employer contribution rates can only be amended by State statute. Member contribution rates can be amended by State statute or by election of the membership.

Members of the Plan and their employers are contributing at the rate of 9.5 percent and 8 percent, respectively, of base salary for a total contribution rate of 17.5 percent through 2017. In 2014, the members elected to increase the member contribution rate to the Plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 21.5 percent of base salary in 2017. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. Per the 2014 member election, the reentry group also had their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent in 2022.

Contributions to the Plan from the District were \$60,356 for the year ended December 31, 2018.

**Net Pension Asset** - At December 31, 2018, the District reported an asset of \$173,760 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2018. The District's proportion of the net pension asset was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating departments, actuarially determined. At December 31, 2017, the District's proportion was 0.120779 percent compared to 0.143264 percent measured as of December 31, 2016.

For the fiscal year ended December 31, 2018, the District recognized pension benefit of \$66,905. At December 31, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Actual and Expected Experience	\$ 125,306	\$ 1,925
Changes in Assumptions	26,179	-
Net Difference Between Actual and Projected Earnings on Pension Plan Investments	-	58,998
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	27,766	-
District Contributions Subsequent to Measurement Date	60,356	-
<b>Total</b>	<b>\$ 239,607</b>	<b>\$ 60,923</b>

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 – FIRE & POLICE STATEWIDE DEFINED BENEFIT PLAN – Continued**

The \$60,356 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as an adjustment against the net pension asset in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years Ended December 31,</u>	<u>Amortization</u>
2019	\$ 23,708
2020	21,021
2021	(4,055)
2022	(13,354)
2023	21,579
Thereafter	69,429
	<u>\$ 118,328</u>

**Actuarial Assumptions** - The actuarial valuations for the Plan were used to determine the total pension liability and actuarially determined contributions for the measurement year ending December 31, 2017. The valuation used the following actuarial assumption and other inputs:

Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term Investment Rate of Return*	7.50%
Projected Salary Increases*	4.0% – 14.0%
Cost of Living Adjustment (COLA)	0.0%
*Includes inflation at	2.50%

Effective January 1, 2016, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The occupationally disabled post-retirement mortality assumption uses the same table as used for healthy annuitants, except there is a three-year set-forward, meaning a disabled member age 70 will be valued as if they were a 73-year-old healthy retiree. The totally disabled post-retirement mortality assumption uses the RP-2014 generational mortality tables for disabled annuitants, except an additional provision to apply a minimum 3 percent mortality probability to males and 2 percent mortality probability for females is included to reflect substantial impairment for this population. The pre-retirement off-duty mortality tables are adjusted to 55 percent of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

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.

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 – FIRE & POLICE STATEWIDE DEFINED BENEFIT PLAN - Continued**

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, 2017, are summarized in the table below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Rate of Return</u>
Global Equity	37%	8.33%
Equity Long/Short	9%	7.15%
Illiquid Alternatives	24%	9.70%
Fixed Income	15%	3.00%
Absolute Return	9%	6.46%
Managed Futures	4%	6.85%
Cash	2%	2.26%
<b>Total</b>	<b>100%</b>	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.50 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 Fire & Police Pension Association Board of Director’s funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the 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.

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50 percent; the municipal bond rate is 3.31 percent (based on the weekly rate closest to but not later than the measurement date of the “state and local bonds” rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.50 percent.

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 – FIRE & POLICE STATEWIDE DEFINED BENEFIT PLAN – Continued**

**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 asset calculated using a Single Discount Rate of 7.50 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a Single Discount Rate that is 1 percentage point lower (6.50 percent), or 1-percentage-point higher (8.50 percent) than the current rate:

	<b>1% Decrease (6.5%)</b>	<b>Current Discount Rate (7.5%)</b>	<b>1% Increase (8.5%)</b>
Collective Net Pension Liability/(Asset)	\$ 156,626,967	\$ (143,865,763)	\$ (393,386,428)
Proportionate Share of Net Pension Liability	\$ 189,172	\$ (173,760)	\$ (475,128)

**Pension Plan Fiduciary Net Position** - Detailed information about the pension plan’s fiduciary net position is available in the separately issued Fire & Police Pension Association of Colorado financial report.

**NOTE 7 – FIRE & POLICE MEMBERS’ STATEWIDE MONEY PURCHASE PLAN**

**Plan Description** - The Fire & Police Members’ Statewide Money Purchase Plan (SWMP Plan) is a multiple-employer defined contribution (money purchase) pension fund covering full-time employees of participating fire or police districts in Colorado. As of August 1, 2003, the SWMP Plan may include part-time police and fire employees. The SWMP Plan may also include clerical or other personnel from fire districts whose services are auxiliary to fire protection.

The SWMP Plan became effective on January 1, 1995. Participants can choose from various investments selected by the Self-Directed Plans Committee pursuant to the fund structure approved by the board of directors, as well as mutual funds or other investments offered through a Self-Directed Brokerage Account. There were 49 contributing employer departments as of December 31, 2018. The SWMP Plan assets are included in the Fire & Police Members’ Self-Directed Investment Fund. The Fire & Police Pension Association (FPPA) of Colorado issues a publicly available financial report that may be obtained at [www.fppaco.org](http://www.fppaco.org).

**Contributions** - Contributions to the SWMP Plan are calculated as a percentage of the member’s base salary, which is specified by state statute. Current participants contribute a minimum of 8 percent of base salary, which is matched by the employer. Members are always fully vested in their own contributions, and the earnings on those contributions. Vesting in the employer’s contributions and earnings on those contributions occurs according to the vesting schedule set by state statute 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.

During 2018, the District contributed 8 percent while the plan participant contributed 10 percent. For the year ended December 31, 2018, employer and employee contributions were \$8,109 and \$10,117, respectively.

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 – SECTION 457 DEFERRED COMPENSATION PLAN**

**Plan Description** - The District offers its paid responder personnel an additional voluntary deferred compensation plan created in accordance with Internal Revenue Code Section 457 (“457 Plan”). All compensation deferred under the 457 Plan, together with all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are to be held in trust for exclusive benefit of the participants and their designated beneficiaries. Compensation deferred under the 457 Plan is not available to participants until termination, retirement, death, or unforeseeable emergency. The 457 Plan is administered by FPPA.

**Contributions** - Employees may elect to defer any percentage of their annual compensation, provided that the total annual contribution does not exceed limitations established by the Internal Revenue Service. The District does not contribute to the 457 Plan for sworn personnel. For administrative employees, the District contributes 16 percent of the employee’s base salary during the second year of full-time service and 8 percent for each subsequent year.

For the year ended December 31, 2018, employer and employee contributions were \$8,189 and \$13,042, respectively.

The individual participants determine investment decisions within the 457 Plan and, therefore, the 457 Plan’s investment concentration varies between the participants. The District, as trustee of the 457 Plan, has the duty of due care that would be required of an ordinary prudent investor, but has no liability for losses under the 457 Plan. Consequently, the 457 Plan is not part of the District’s financial statements.

**NOTE 9 – STATEWIDE DEATH & DISABILITY PLAN**

**Plan Description** - The District contributes to the statewide, cost-sharing, multiple-employer death and disability plan (D&D Plan) administered by the Colorado Fire and Police Pension Association (FPPA). The D&D Plan provides death and disability benefits for those new hires employed after January 1, 1997 and their beneficiaries. Title 31, Article 30 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the state legislature. The FPPA issues a publicly available financial report that may be obtained at [www.fppaco.org](http://www.fppaco.org).

D&D Plan benefits provide 24-hour coverage, both on- and off-duty and are available for members not eligible for normal retirement under a defined benefit plan, or members who have not met 25 years of accumulated service and age 55 under a money purchase plan. In the case of an on-duty death, benefits may be payable to the surviving spouse, or dependent children of active members, who were eligible to retire, but were still working. Death and disability benefits are free from state and federal taxes in the event that a member’s disability is determined to be the result of an on-duty injury or an occupational disease.

**Benefits Provided** – Benefits are established by Colorado statute.

If a member dies prior to normal retirement eligibility while off-duty, the surviving spouse and/or dependent children shall receive a benefit equal to 40 to 50 percent of the monthly base salary paid to the member prior to death.

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 9 – STATEWIDE DEATH & DISABILITY PLAN – Continued**

As of October 15, 2002, if a member dies prior to retirement while on-duty; the surviving spouse and/or dependent children shall receive a benefit equal to 40 to 70 percent of the member's monthly base salary. Benefits will be paid to the spouse until death and to dependent children until age 23, death, marriage or other termination of dependency. Benefits may be extended for an incapacitated child.

A member who becomes disabled prior to normal retirement eligibility shall be eligible for disability benefits. If the member is disabled, the member shall receive 40 to 70 percent of their base salary preceding disability. Benefits are payable for either a maximum of five years or as long as the member remains disabled, depending on the type of disability.

A benefit adjustment of up to 3 percent may be granted to members and spouses by the FPPA Board of Directors annually. Totally disabled members and their beneficiaries receive an automatic benefit adjustment each year of 3 percent. The benefit adjustment is effective October 1. A benefit adjustment may begin after receiving benefits for at least 12 calendar months prior to October 1.

**Contributions** – Prior to 1997, the D&D Plan was primarily funded by the State of Colorado, whose contributions were established by Colorado statute. In 1997 the State made a one-time contribution of \$39,000,000 to fund past and future service costs for all firefighters and police officers hired prior to January 1, 1997. No further State contributions are anticipated.

Members hired on or after January 1, 1997, began contributing 2.4 percent of base salary to the D&D Plan as of January 1, 1997. Contributions may be increased 0.1 percent biennially by the FPPA Board. The contributions increased to 2.7 percent of base salary as of January 1, 2017. The contribution rate increased to 2.8 percent of base salary as of January 1, 2019. This percentage can vary depending on actuarial experience. All contributions are made by members or on behalf of members. The 2.7 percent contribution may be paid entirely by the employer or member, or it may be split between the employer and the member as determined at the local level. The District has elected to absorb the member contribution. Contributions to the D&D Plan were \$23,268 for the year ended December 31, 2018.

**NOTE 10 – TAX, SPENDING, REVENUE AND DEBT LIMITATIONS**

In November 1992, the voters of Colorado approved the Taxpayer's Bill of Rights (TABOR), which added Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue, and debt limitations that apply to the State of Colorado and all local governments. 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 reserve funds. The reserve fund must equal at least 3 percent of Fiscal Year Spending (excluding bonded debt service). TABOR allows local governments to impose emergency taxes (other than property taxes) if certain conditions are met. Local governments are not allowed to use emergency reserves or taxes to compensate for economic conditions, revenue shortfalls, or local government salary or benefit increases. The statement of net position indicates that an amount of \$69,000 is reserved for emergencies.

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 10 – TAX, SPENDING, REVENUE AND DEBT LIMITATIONS – Continued**

TABOR is complex and subject to interpretation. Some provisions of TABOR are unclear and will require further judicial interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation. No representation can be made as to the overall impact of TABOR on the future activities of the District, including its ability to generate sufficient revenues for its general operations, to undertake additional programs, or to engage in any subsequent financing activities.

The District believes it has complied with all aspects of the TABOR amendment.

In November 1996, the voters of the District approved a mill levy increase of 2.931 mills commencing January 1, 1997, and thereafter, and approved increases to the mill levy in future years up to annual inflation plus local growth. The voters also approved that the District shall be entitled to collect and spend the full revenues from such tax increases without any other limitation or condition, and without limiting the collection or spending of any other revenues or funds by the District, under Article X, Section 20 of the Colorado Constitution or any other law.

**NOTE 11 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God. The District maintains commercial insurance for most risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**NOTE 12 – CONTINGENCIES**

The District has pending and threatened claims which are being handled by the District's insurance carrier. The management believes any and all settled claims will be covered by insurance and not result in payments by the District.

The District has a pending insurance claim for damage caused to buildings during a hailstorm in 2017. The insurance recovery, if any, will be recognized when realized.

The District is in negotiations with an outside governmental entity to contract all its fire protection and emergency medical services. The anticipated date for these services to begin is January 2020.

**NOTE 13 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through July 18, 2019, the date on which the financial statements were available to be released.

In January 2019, the Board approved the purchase of a new engine for approximately \$510,000. The Board elected to pay cash as it offered a significant discount in the purchase price.

***REQUIRED SUPPLEMENTAL INFORMATION***

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGE IN FUND BALANCE,  
BUDGET AND ACTUAL - GENERAL FUND  
YEAR ENDED DECEMBER 31, 2018**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
General Property Tax	\$ 2,200,374	\$ 2,200,374	\$ 2,170,553	\$ (29,821)
Specific Ownership Tax	230,000	230,000	278,025	48,025
Fire and Emergency Medical Services	44,000	44,000	48,060	4,060
Miscellaneous	20,500	20,500	8,517	(11,983)
Investment Earnings	1,800	1,800	6,018	4,218
<b>Total Revenues</b>	<u>2,496,674</u>	<u>2,496,674</u>	<u>2,511,173</u>	<u>14,499</u>
<b>Expenditures</b>				
Administrative	142,625	142,625	132,359	10,266
Operations	2,005,986	2,005,986	1,867,065	138,921
Maintenance	77,320	77,320	62,661	14,659
Training and Association Prevention, Safety, and Community Services	40,335	40,335	16,080	24,255
Debt Service	50,250	50,250	19,799	30,451
Capital Outlay	62,614	62,614	62,612	2
<b>Total Expenditures</b>	<u>332,900</u>	<u>332,900</u>	<u>110,208</u>	<u>222,692</u>
<b>Net Change in Fund Balance</b>	(215,356)	(215,356)	240,389	455,745
<b>Beginning Fund Balance, January 1</b>	<u>1,214,334</u>	<u>1,214,334</u>	<u>1,408,841</u>	<u>194,507</u>
<b>Ending Fund Balance, December 31</b>	<u>\$ 998,978</u>	<u>\$ 998,978</u>	<u>\$ 1,649,230</u>	<u>\$ 650,252</u>

See Notes to Required Supplementary Information

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
 SHARE OF THE NET PENSION LIABILITY/(ASSET)  
 FIRE POLICE STATEWIDE DEFINED BENEFIT PLAN  
 AS OF DECEMBER 31,**

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
District's Proportion of the Net Pension Liability/(Asset)	0.12%	0.14%	0.15%	0.15%	0.15%
District's Proportionate Share of the Net Pension Liability/(Asset)	\$ (173,760)	\$ 51,767	\$ (2,656)	\$ (168,362)	\$ (127,075)
District's Covered Payroll	\$ 706,000	\$ 733,000	\$ 730,000	\$ 653,000	\$ 617,000
District's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	-24.61%	7.06%	-0.36%	-25.78%	-20.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	106.30%	98.21%	100.10%	106.80%	105.80%

The amounts presented for each fiscal year were determined as of the District's measurement date (the calendar year-end that occurred one year prior to the fiscal year-end). Information is only available beginning in fiscal year 2014.

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
FISCAL YEARS ENDED DECEMBER 31,**

	<b>Statutorily Determined Contribution</b>	<b>Actual Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Actual Contributions as a % of Covered Payroll</b>
2018	\$ 60,356	\$ 60,356	\$ -	\$ 754,000	8.00%
2017	\$ 56,518	\$ 56,518	\$ -	\$ 706,000	8.00%
2016	\$ 58,656	\$ 58,656	\$ -	\$ 733,000	8.00%
2015	\$ 58,430	\$ 58,430	\$ -	\$ 730,000	8.00%
2014	\$ 52,225	\$ 52,225	\$ -	\$ 653,000	8.00%

Information is only available beginning in fiscal year 2014.

***NOTES REQUIRED SUPPLEMENTAL INFORMATION***

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION  
DECEMBER 31, 2018**

**BUDGETARY INFORMATION**

Cimarron Hills First Protection District (District) adheres to the following procedures in establishing the budgetary data reflected in the budgetary comparison schedule.

On or before October 15, the Fire Chief submits to the Board of Directors a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them. Public hearings are conducted by the Board of Directors to obtain taxpayer comments. The District adopts budgets for all funds. The General Fund uses the current financial resources measurement focus and the modified accrual basis of accounting in preparing the budgets.

Expenditure estimates in the annual budget are enacted into law by the passage of appropriation resolutions. Budgetary control exists at the total fund level and encumbrance accounting is not employed as a part of the budgetary process.

**PENSION INFORMATION**

**Changes in Plan Provisions** - The plan provisions have not changed since the prior valuation. The member contribution rate will increase in 2019 as a result of the member election.

**Benefit Adjustments** - Benefits to members and beneficiaries may be increased annually on October 1. The amount is based on the Fire & Police Pension Association Board of Directors discretion and can range from 0% to 3%. Benefit adjustment may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

***SUPPLEMENTAL INFORMATION***

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
SCHEDULES TO FINANCIAL STATEMENTS  
DETAILED EXPENDITURES - GENERAL FUND  
YEAR ENDED DECEMBER 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
<b>Administrative</b>				
Audit and Consulting	\$ 11,875	\$ 11,875	\$ 11,535	\$ 340
Uniform, Awards and Incentives	9,550	9,550	11,842	(2,292)
Bank Service Charges	7,550	7,550	1,704	5,846
Bookkeeping	-	-	21,678	(21,678)
County Treasurer Fees	32,000	32,000	32,558	(558)
Data Automation Support	29,650	29,650	4,670	24,980
Election	5,000	5,000	4,929	71
Legal Fees and Notices	23,000	23,000	20,265	2,735
Office and Administration Supplies	4,100	4,100	3,071	1,029
Office and Administration Equipment	4,900	4,900	326	4,574
Tax Refunds	15,000	15,000	19,781	(4,781)
<b>Total Administrative</b>	<u>\$ 142,625</u>	<u>\$ 142,625</u>	<u>\$ 132,359</u>	<u>\$ 10,266</u>
<b>Operations</b>				
Utilities	\$ 19,000	\$ 19,000	\$ 15,878	\$ 3,122
Service Delivery and Fire Suppression	1,900	1,900	633	1,267
Facilities Housekeeping, Supplies and Equipment	13,600	13,600	4,511	9,089
Insurance	15,500	15,500	15,666	(166)
EMS/Medical Operations	5,200	5,200	2,734	2,466
Operations Equipment	8,300	8,300	547	7,753
Protective and Personal Equipment	31,000	31,000	6,136	24,864
Communications Operations	32,600	32,600	27,654	4,946
Vehicle and Apparatus Fuel	14,500	14,500	13,649	851
Salary	1,412,021	1,412,021	1,403,080	8,941
Benefits	354,467	354,467	322,136	32,331
Unemployment Insurance	4,287	4,287	3,100	1,187
Workers Compensation Insurance	65,561	65,561	38,202	27,359
Health and Wellness Program	11,050	11,050	3,164	7,886
Volunteer Stipend and Incentive Support	6,000	6,000	1,875	4,125
Director Stipend	11,000	11,000	8,100	2,900
<b>Total Operations</b>	<u>\$ 2,005,986</u>	<u>\$ 2,005,986</u>	<u>\$ 1,867,065</u>	<u>\$ 138,921</u>

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See Independent Auditors' Report

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
SCHEDULES TO FINANCIAL STATEMENTS  
DETAILED EXPENDITURES - GENERAL FUND  
YEAR ENDED DECEMBER 31, 2018**

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	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
	<u>Original</u>	<u>Final</u>		<u>Actual</u>
<b>Maintenance</b>				
Structures, Roads and Ground Maintenance	\$ 12,800	\$ 12,800	\$ 15,055	\$ (2,255)
EMS/Medical Equipment Maintenance	2,300	2,300	1,682	618
Fire and General Equipment Maintenance	3,250	3,250	3,148	102
Office and Administrative Equipment Maintenance	2,800	2,800	2,171	629
Fixed Support Equipment Maintenance	5,000	5,000	953	4,047
Communications Maintenance	3,670	3,670	3,510	160
Vehicle and Apparatus Maintenance	42,500	42,500	33,896	8,604
Protective and Personal Equipment Maintenance	5,000	5,000	2,246	2,754
<b>Total Maintenance</b>	<u>\$ 77,320</u>	<u>\$ 77,320</u>	<u>\$ 62,661</u>	<u>\$ 14,659</u>
<b>Training and Association</b>				
Fire Training	\$ 16,000	\$ 16,000	\$ 3,111	\$ 12,889
EMS/Medical Training	5,400	5,400	1,061	4,339
Administrative/Executive Trainings and Meetings	11,385	11,385	9,321	2,064
Recruiting, Testing and Hiring	3,900	3,900	7	3,893
Association Fee and Dues	3,510	3,510	2,580	930
Subscription Services	140	140	-	140
<b>Total Training and Associations</b>	<u>\$ 40,335</u>	<u>\$ 40,335</u>	<u>\$ 16,080</u>	<u>\$ 24,255</u>
<b>Prevention, Safety and Community Services</b>				
Plans, Permits and Code Compliance Inspections	\$ 41,000	\$ 41,000	\$ 17,635	\$ 23,365
Community Information Publications	3,300	3,300	122	3,178
Prevention Training	1,500	1,500	-	1,500
Prevention Education and Community Outreach	4,450	4,450	2,042	2,408
<b>Total Prevention, Safety and Community Service</b>	<u>\$ 50,250</u>	<u>\$ 50,250</u>	<u>\$ 19,799</u>	<u>\$ 30,451</u>

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See Independent Auditors' Report

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
SCHEDULES TO FINANCIAL STATEMENTS  
DETAILED EXPENDITURES - GENERAL FUND  
YEAR ENDED DECEMBER 31, 2018**

Continued from Page 31

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
	<b>Original</b>	<b>Final</b>		
<b>Debt Service</b>				
Principal - 2007 Lease Purchase	\$ 57,502	\$ 57,502	\$ 57,501	\$ 1
Interest - 2007 Lease Purchase	5,112	5,112	5,111	1
<b>Total Debt Service</b>	<b>\$ 62,614</b>	<b>\$ 62,614</b>	<b>\$ 62,612</b>	<b>\$ 2</b>
<b>Capital Outlay</b>				
Structures, Roads and Grounds	\$ 74,500	\$ 74,500	\$ 77,718	\$ (3,218)
EMS/Medical Equipment	8,400	8,400	32,490	(24,090)
Vehicles and Apparatus	250,000	250,000	-	250,000
<b>Total Capital Outlay</b>	<b>\$ 332,900</b>	<b>\$ 332,900</b>	<b>\$ 110,208</b>	<b>\$ 222,692</b>

See Independent Auditors' Report

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
FIVE-YEAR SUMMARY OF ASSESSED VALUATION,  
MILL LEVY AND PROPERTY TAXES COLLECTED  
DECEMBER 31, 2018**

<u>December 31,</u>	<u>Prior Valuation for Current Year Tax Levy</u>	<u>Mills Levied (All Funds)</u>	<u>Total Property Taxes</u>		<u>Percent Collected to Levied</u>
			<u>Levied</u>	<u>Collected Currently</u>	
2014	\$ 123,080,390	14.390	\$ 1,771,127	\$ 1,776,710	100.32 %
2015	\$ 123,752,010	15.290	\$ 1,892,168	\$ 1,867,244	98.68 %
2016	\$ 124,750,120	15.286	\$ 1,906,930	\$ 1,903,932	99.84 %
2017	\$ 125,465,840	15.286	\$ 1,917,871	\$ 1,921,143	100.17 %
2018	\$ 135,825,570	16.200	\$ 2,200,374	\$ 2,170,547	98.64 %

**Estimated for the Year Ending December 31:**

2019	\$ 135,497,500	16.200	\$ 2,195,060
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**NOTE: Property taxes collected in any one year includes collection of delinquent property taxes levied and/or abatements of valuations in previous years.**