



CIMARRON HILLS FIRE PROTECTION DISTRICT

FINANCIAL STATEMENTS

AND

REQUIRED SUPPLEMENTAL INFORMATION

AND

SUPPLEMENTAL INFORMATION

WITH

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2019

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, 2019, 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2019, 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.

INDEPENDENT AUDITORS' REPORT - CONTINUED

Page 2

Other Matters

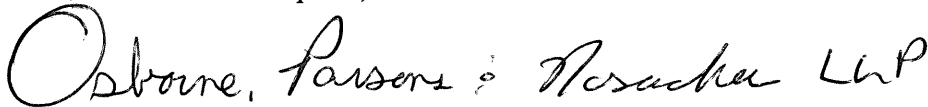
Required Supplemental Information

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 Change in Fund Balance – Budget and Actual – General Fund on page 27, the Schedule of the District's Proportionate Share of the Net Pension Liability/(Asset) on page 28, and the Schedule of Employer Contributions on page 29 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 supplemental 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.



Colorado Springs, Colorado

July 8, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

**CIMARRON HILLS FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED DECEMBER 31, 2019**

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, 2019. 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 \$3,870,628, which represents the ending net position.

**CIMARRON HILLS FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED DECEMBER 31, 2019**

OVERVIEW OF THE FINANCIAL STATEMENTS - Continued

- The net position increased by \$415,560 from the prior year. Approximately 50% of the net position, \$1,929,518, is available for spending at the District's discretion, as reflected in unrestricted net position.

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 \$1,607,082, which represents the ending fund balance.
- The ending fund balance decreased by \$42,148 from the prior year. Approximately 53% of the total fund balance, \$844,420, 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 supplemental 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.

**CIMARRON HILLS FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED DECEMBER 31, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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.

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 \$3,870,628 as of December 31, 2019, as reflected in the total net position. Approximately 48% of the District's fund balance is in capital assets, net of any related debt.

Condensed Statement of Net Position - Two-Year Comparison

	<u>2019</u>	<u>2018</u>	<u>Change</u>
Assets			
Current and Net Pension Assets	\$ 4,353,380	\$ 4,089,355	\$ 264,025
Capital Assets	1,865,110	1,531,531	333,579
Total Assets	<u>6,218,490</u>	<u>5,620,886</u>	<u>597,604</u>
Deferred Outflows of Resources	542,350	239,607	302,743
Total Assets and Deferred Outflows	<u>\$ 6,760,840</u>	<u>\$ 5,860,493</u>	<u>\$ 900,347</u>
Liabilities			
Current and Net Pension Liability	\$ 161,759	\$ 149,442	\$ 12,317
Total Liabilities	<u>161,759</u>	<u>149,442</u>	<u>12,317</u>
Deferred Inflows of Resources	2,728,453	2,255,983	472,470
Total Liabilities and Deferred Inflows	<u>\$ 2,890,212</u>	<u>\$ 2,405,425</u>	<u>\$ 484,787</u>
Net Position			
Net Investment in Capital Assets	\$ 1,865,110	\$ 1,471,528	\$ 393,582
Restricted	76,000	69,000	7,000
Unrestricted	1,929,518	1,914,540	14,978
Total Net Position	<u>\$ 3,870,628</u>	<u>\$ 3,455,068</u>	<u>\$ 415,560</u>

Comments - Assets

In 2019, 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. The contract discussions/agreements with Colorado Springs ceased in September 2019, and the Board of Directors made the decision to remain as our own Fire Protection District. In February of 2019 the District purchased a new engine in agreement with Colorado Springs for the anticipated contract for services. This engine was sold for the purchase amount in January 2020, causing no increase in property or assets.

**CIMARRON HILLS FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED DECEMBER 31, 2019**

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 was completed in 2019. This is the District's only long-term purchase.

Condensed Statement of Activities - Two-Year Comparison

	<u>2019</u>	<u>2018</u>	<u>Change</u>
Expenses			
General and Administrative	\$ 117,297	\$ 132,359	\$ (15,062)
Fire and Emergency Medical Services	1,928,021	2,012,291	(84,270)
Interest on Long-Term Debt	1,522	4,069	(2,547)
Total Expenses	<u>2,046,840</u>	<u>2,148,719</u>	<u>(101,879)</u>
Revenues			
Program Revenues			
Fire and Emergency	4,294	21,321	(17,027)
Grants and Contributions	310	26,739	(26,429)
General Revenues			
Property Taxes	2,196,831	2,170,553	26,278
Specific Ownership Tax	266,199	278,025	(11,826)
Miscellaneous	4,311	7,807	(3,496)
Investment Earnings	1,488	6,018	(4,530)
Insurance Recovery	-	710	(710)
Loss on Disposal of Capital Assets	(11,033)	-	(11,033)
Total Revenues	<u>2,462,400</u>	<u>2,511,173</u>	<u>(48,773)</u>
Change in Net Position	415,560	362,454	53,106
Net Position - Beginning of Year	<u>3,455,068</u>	<u>3,092,614</u>	<u>362,454</u>
Net Position - End of Year	<u>\$ 3,870,628</u>	<u>\$ 3,455,068</u>	<u>\$ 415,560</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. The District sparingly utilized overtime to assist in curbing costs in anticipation of the contract for services. Training costs also continue to be lower as most training is now conducted in-house. The only major unexpected expense in 2019 was major maintenance and repairs for Ladder 1331 in October 2019.

**CIMARRON HILLS FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED DECEMBER 31, 2019**

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 \$1,607,082, as reflected on page 5 of the financial statements. Of this amount \$76,000 was TABOR restricted as a required reserve fund.

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

The final payment on the current leased Quint apparatus was made in June of 2019. The District has no plans to incur any long-term debt.

BUDGETARY HIGHLIGHTS

The District's 2019 final budget had total revenue of \$2,580,260. The District ended the year with total actual revenue of \$2,473,433, representing an unfavorable variance of \$106,827. This variance was caused due to the District not selling the Quint apparatus, as was anticipated with the purchase of the new engine. The new engine was sold back to the City of Colorado Springs for purchase price, which resulted in the anticipated revenue from selling the Quint not being realized.

The District's final budget had total expenditures of \$2,882,181. The District ended the year with actual audited expenditures of \$2,515,581. Actual expenditures had a favorable variance against budgeted expenditures of \$366,600. In anticipation of the contract with the City of Colorado Springs the District was extremely budget conscious throughout 2019. Expenditures were kept minimal to assist with the cost associated with the anticipated contract.

**CIMARRON HILLS FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED DECEMBER 31, 2019**

BUDGETARY HIGHLIGHTS - Continued

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

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
Revenues			
General Property Tax	\$ 2,195,060	\$ 2,196,831	\$ 1,771
Specific Ownership Tax	235,000	266,199	31,199
Fire and Emergency Medical Services	2,700	4,604	1,904
Miscellaneous	138,500	4,311	(134,189)
Investment Earnings	9,000	1,488	(7,512)
Total Revenues	<u>2,580,260</u>	<u>2,473,433</u>	<u>(106,827)</u>
Expenditures			
Administrative	138,250	117,297	20,953
Operations	2,021,891	1,640,088	381,803
Maintenance	82,502	160,134	(77,632)
Training and Association Prevention, Safety, and Community Services	45,455	9,133	36,322
Debt Service	11,470	6,918	4,552
Capital Outlay	62,613	62,613	-
Total Expenditures	<u>520,000</u>	<u>519,398</u>	<u>602</u>
	<u>2,882,181</u>	<u>2,515,581</u>	<u>366,600</u>
Net Change in Fund Balance	(301,921)	(42,148)	259,773
Beginning Fund Balance, January 1	<u>1,693,563</u>	<u>1,649,230</u>	<u>(44,333)</u>
Ending Fund Balance, December 31	<u>\$ 1,391,642</u>	<u>\$ 1,607,082</u>	<u>\$ 215,440</u>

**CIMARRON HILLS FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED DECEMBER 31, 2019**

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. The District will continue to monitor potential implications and adjust spending as necessary. The District saw a boost of 20-30% in assessed property values for the 2020 fiscal year.

The economic impact of COVID-19 and the potential impact of 2022 Gallagher adjustments are a cause for concern as the District makes future fiscal decisions. The true impact of COVID-19 will not be realized for the foreseeable future. The District will continue to monitor and consider all options for future economic stability.

Additional options currently being explored by the District include fire service-related grant funding for projects, and additional grant applications are being submitted for COVID-19 related expenses. The District will continue to explore possibilities for mill levy increases to offset Gallagher impacts.

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, 2019**

	Governmental Activities
Assets	
Cash	\$ 1,597,562
Cash Held by County Treasurer	24,411
Prepaid Expenses	4,475
Property Tax Receivable	2,726,932
Capital Assets, Net of Depreciation	1,865,110
Total Assets	\$ 6,218,490
 Deferred Outflows of Resources	
Pension	\$ 542,350
 Liabilities	
Accounts Payable	\$ 4,707
Wages and Compensated Absences Payable	14,659
Net Pension Liability	142,393
Total Liabilities	\$ 161,759
 Deferred Inflows of Resources	
Property Taxes	\$ 2,726,932
Pension	1,521
Total Deferred Inflows of Resources	\$ 2,728,453
 Net Position	
Net Investment in Capital Assets	\$ 1,865,110
Restricted	76,000
Unrestricted	1,929,518
Total Net Position	\$ 3,870,628

See Notes to Financial Statements

**CIMARRON HILLS FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019**

	Program Revenues				Net Program Expense
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Functions/Programs					
Governmental Activities					
General and Administrative	\$ 117,297	\$ -	\$ -	\$ -	(117,297)
Fire & Emergency Medical Services	1,751,836	4,294	310	-	(1,747,232)
Maintenance	160,134	-	-	-	(160,134)
Training and Associations	9,133	-	-	-	(9,133)
Prevention, Safety & Community Service	6,918	-	-	-	(6,918)
Interest Expense	1,522	-	-	-	(1,522)
Total Governmental Activities	\$ 2,046,840	\$ 4,294	\$ 310	\$ -	(2,042,236)
General Revenues					
General Property Tax					2,196,831
Specific Ownership Tax					266,199
Miscellaneous					4,311
Investment Earnings					1,488
Loss on Disposal of Capital Assets					(11,033)
Total General Revenues					2,457,796
Change in Net Position					415,560
Net Position - Beginning					3,455,068
Net Position - Ending					\$ 3,870,628

See Notes to Financial Statements

**CIMARRON HILLS FIRE PROTECTION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUND - GENERAL FUND
DECEMBER 31, 2019**

ASSETS

Assets

Cash	\$	1,597,562
Cash Held by County Treasurer		24,411
Prepaid Expenses		4,475
Property Tax Receivable		<u>2,726,932</u>
Total Assets	\$	<u><u>4,353,380</u></u>

LIABILITIES AND FUND BALANCE

Liabilities

Accounts Payable	\$	4,707
Wages Payable		14,659
Total Liabilities		<u>19,366</u>

Deferred Inflow of Resources

Property Tax		2,726,932
Total Deferred Inflow of Resources		<u>2,726,932</u>

Fund Balance

Nonspendable		4,475
Restricted		76,000
Assigned		682,187
Unassigned		844,420
Total Fund Balance		<u>1,607,082</u>

Total Liabilities, Deferred Inflow of Resources, and Fund Balance	\$	<u><u>4,353,380</u></u>
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**CIMARRON HILLS FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2019**

Total Fund Balance - Governmental Fund	\$	1,607,082
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Amounts reported for governmental activities in the statement of net position are different because:

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

Net Pension Liability		(142,393)
Deferred Outflows of Resources - Pension		542,350
Deferred Inflows of Resources - Pension		(1,521)

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

Capital Assets		4,050,085
Accumulated Depreciation		(2,184,975)
		(2,184,975)

Total Net Position - Governmental Activities	\$	3,870,628
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**CIMARRON HILLS FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2019**

Revenues

General Property Tax	\$ 2,196,831
Specific Ownership Tax	266,199
Fire and Emergency Medical Services	4,604
Miscellaneous	4,311
Investment Earnings	1,488
Total Revenues	2,473,433

Expenditures

Current	
General and Administrative	117,297
Operations	1,640,088
Maintenance	160,134
Training and Associations	9,133
Prevention, Safety, and Community Service	6,918
Debt Service	62,613
Capital Outlay	519,398
Total Expenditures	2,515,581

Net Change in Fund Balance	(42,148)
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Fund Balance - Beginning	1,649,230
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Fund Balance - Ending	\$ 1,607,082
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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, 2019**

Total Net Change in Fund Balance - Governmental Funds \$ (42,148)

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

Changes in the net pension liability and related deferrals do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 45,992

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	(174,786)
Capital Outlay	519,398
Loss on Disposal of Assets	(11,033)

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)	60,003
Prior Year Accrued Interest	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	17,046
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Change in Net Position - Governmental Activities	\$ 415,560
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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.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

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".

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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.

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, 2019, 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

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.

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

NOTE 1 – CASH, CASH EQUIVALENTS AND INVESTMENTS – Continued

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, 2019, deposits with a bank balance of \$1,297,962 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

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, 2019, the District held no investment securities.

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

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	1,669,522	(783,494)	886,028	5 - 40 years
EMS/Medical Equipment	32,490	(10,830)	21,660	6 years
Office and Admin Equipment	15,044	(7,647)	7,397	7 - 15 years
General Equipment	390,145	(284,289)	105,856	5 - 15 years
Communications Equipment	121,370	(110,100)	11,270	7 years
Vehicles and Apparatus	1,669,858	(988,615)	681,243	5 - 15 years
	<u>\$ 4,050,085</u>	<u>\$ (2,184,975)</u>	<u>\$ 1,865,110</u>	

Capital asset activity for the year ended December 31, 2019, 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	1,693,396	9,226	(33,100)	1,669,522
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	510,172	-	1,669,858
Total Capital Assets, Being Depreciated	3,412,131	519,398	(33,100)	3,898,429
Less: Accumulated Depreciation	<u>(2,032,256)</u>	<u>(174,786)</u>	<u>22,067</u>	<u>(2,184,975)</u>
Capital Assets, Being Depreciated, Net	<u>1,379,875</u>	<u>344,612</u>	<u>(11,033)</u>	<u>1,713,454</u>
Total Capital Assets, Net	<u>\$ 1,531,531</u>	<u>\$ 344,612</u>	<u>\$ (11,033)</u>	<u>\$ 1,865,110</u>

Depreciation expense for the year ended December 31, 2019, was \$174,786, and was allocated to fire and emergency medical services.

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

NOTE 3 – LONG-TERM LIABILITIES

The following is a schedule of changes in long-term liabilities year ended December 31, 2019:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Portion Due Within One Year</u>
Capital Lease Obligation	\$ 60,003	\$ -	\$ 60,003	\$ -	\$ -

There was one capital lease outstanding during the year ended December 31, 2019. 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 \$423,901. Capital lease amortization is included in depreciation expense.

Interest incurred on the lease amounted to \$1,522 during the year ended December 31, 2019.

NOTE 4 – 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, 2019, the District had net investment in capital assets as follows:

Net Investment in Capital Assets

Capital Assets, Net of Depreciation	\$ 1,856,110
Long-Term Liabilities Due Within One Year	
Capital Lease Obligations	-
Net Investment in Capital Assets	<u><u>\$ 1,856,110</u></u>

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, 2019, the District had restricted net position as follows:

Restricted Net Position

TABOR Emergency Reserve (See NOTE 9)	<u><u>\$ 76,000</u></u>
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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, 2019, totaled \$1,929,518.

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

NOTE 4 – NET POSITION AND FUND BALANCES - Continued

As of December 31, 2019, the fund balances were comprised of the following amounts:

Nonspendable		
Prepaid Insurance	\$	4,475
Restricted		
Emergency (TABOR)		76,000
Assigned		
3-Month O&M Reserve		682,187
Unassigned		844,420
		\$ 1,607,082
		\$ 1,607,082

NOTE 5 – FIRE & POLICE STATEWIDE DEFINED BENEFIT PLAN

Plan Description - The Statewide Defined Benefit Plan (SWDB) 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 5, 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, 2018, had 235 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.

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.

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

NOTE 5 – FIRE & POLICE STATEWIDE DEFINED BENEFIT PLAN – Continued

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, 2018, 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.

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 10 percent and 8 percent, respectively, of base salary for a total contribution rate of 18 percent in 2018. In 2014, the members elected to increase the member contribution rate to the Plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 22 percent of base salary in 2018. 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 \$66,798 for the year ended December 31, 2019.

Net Pension Liability - At December 31, 2019, the District reported a liability of \$142,393 for its proportionate share of the net pension liability.

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

NOTE 5 – FIRE & POLICE STATEWIDE DEFINED BENEFIT PLAN – Continued

The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2019. The District’s proportion of the net pension liability 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, 2018, the District’s proportion was 0.112628 percent compared to 0.120779 percent measured as of December 31, 2017.

For the fiscal year ended December 31, 2019, the District recognized pension expense of \$20,806. At December 31, 2019, 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
Differences Between Actual and Expected Experience	\$ 182,963	\$ 1,521
Changes in Assumptions	137,903	-
Net Difference Between Actual and Projected Earnings on Pension Plan Investments	112,014	-
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	42,672	-
District Contributions Subsequent to Measurement Date	66,798	-
Totals	\$ 542,350	\$ 1,521

The \$66,798 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 liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ended December 31,	Amortization
2020	\$ 87,037
2021	63,653
2022	54,981
2023	87,557
2024	45,303
Thereafter	135,500
	\$ 474,031

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

NOTE 5 – FIRE & POLICE STATEWIDE DEFINED BENEFIT PLAN - Continued

Actuarial Assumptions - The actuarial valuations for the Plan were used to determine the total pension liability and actuarially determined contributions for the measurement year ended December 31, 2018. The valuation used the following actuarial assumption and other inputs:

	<u>Total Pension Liability</u>	<u>Actuarial Determined Contributions</u>
Actuarial Valuation Date	January 1, 2019	January 1, 2018
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term Investment Rate of Return*	7.00%	7.50%
Projected Salary Increases*	4.25% – 11.25%	4.00% – 14.00%
Cost of Living Adjustment (COLA)	0.00%	0.00%
*Includes Inflation at	2.50%	2.50%

Effective January 1, 2019, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 annuitant mortality tables for males and females project to 2018 using the MP-2017 projections scales, and then projected prospectively using the ultimate rates of the scale for all years. 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 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, with minimum probability of 3% for males and 2% for females. 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 increased by 0.00015.

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.

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

NOTE 5 – FIRE & POLICE STATEWIDE DEFINED BENEFIT PLAN – Continued

At least every five years the FPPA’s Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA’s actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019 and were used in the rollforward calculation of total pension liability as of December 31, 2018. Actuarial assumptions effective for actuarial valuations prior to January 1, 2019 were used in the determination of the actuarially determined contributions as of December 31, 2018. 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, 2018, are summarized in the table below:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	37%	8.03%
Equity Long/Short	9%	6.45%
Illiquid Alternatives	24%	10.00%
Fixed Income	15%	2.90%
Absolute Return	9%	5.08%
Managed Futures	4%	5.35%
Cash	2%	2.52%
Total	100%	

Discount Rate - The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the FPPA 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.

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

NOTE 5 – FIRE & POLICE STATEWIDE DEFINED BENEFIT PLAN – Continued

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 7.00 percent; the municipal bond rate is 3.71 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 7.00 percent.

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, calculated using a Single Discount Rate of 7.00 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 one percent lower, or one percent higher than the current discount rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Collective Net Pension Liability/(Asset)	\$ 490,270,474	\$ 126,427,453	\$ (175,373,752)
Proportionate Share of Net Pension Liability/(Asset)	\$ 552,184	\$ 142,393	\$ (197,521)

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 6 – 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.

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

**NOTE 6 – FIRE & POLICE MEMBERS’ STATEWIDE MONEY PURCHASE PLAN -
Continued**

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 2019, the District contributed 8 percent while the plan participant contributed 10 percent. For the year ended December 31, 2019, employer and employee contributions were \$341 and \$427, respectively.

NOTE 7 – 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, 2019, employer and employee contributions were \$5,842 and \$14,369, 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 8 – STATEWIDE DEATH & DISABILITY PLAN

Plan Description - The District contributes to the statewide cost-sharing multiple-employer defined benefit death and disability plan (D&D Plan) administered by the 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.

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

NOTE 8 – STATEWIDE DEATH & DISABILITY PLAN – Continued

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 shall receive a benefit equal to 40 percent of the monthly base salary paid to the member prior to death. An additional 10 percent of base salary is payable if a surviving spouse has two or more dependent children. If there is no surviving spouse, but the member had one or two dependent children, the benefit payable is 40 percent of the member's monthly base salary. If there is no spouse but three or more dependent children, the benefit equals 50 percent of the member's monthly base salary.

As of October 15, 2002, if a member dies prior to retirement while on-duty; the surviving spouse shall receive a benefit equal 70 percent of the member's monthly base salary regardless of the number of dependent children. If there is no spouse but one or more dependent children living in the member's household the benefit equals 70 percent of the member's monthly base salary. If there are dependent children without a surviving spouse, and they do not live in the household, the benefit is 40 percent for the first child and 15 percent for each additional child, but not greater than 70 percent in total 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.

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

NOTE 8 – STATEWIDE DEATH & DISABILITY PLAN – Continued

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 \$23,464 for the year ended December 31, 2019.

NOTE 9 – 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 \$76,000 is reserved for emergencies.

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.

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

NOTE 10 – 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 11 – CONTINGENCIES

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.

NOTE 12 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 8, 2020, the date on which the financial statements were available to be released.

In January 2020, the District sold an apparatus for approximately \$514,000, and in April 2020 funds for insurance recovery were received in the amount of approximately \$131,000 (See Note 11).

Coronavirus (COVID-19) Pandemic

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to a number of other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, several states in the U.S., have declared a state of emergency.

Potential impacts to the District include disruptions or restrictions on our ability to provide services. We cannot anticipate all of the ways in which health pandemics such as COVID-19 could adversely impact the District. Although we are continuing to monitor and assess the effects of the COVID-19 pandemic on the District, the ultimate impact of the COVID-19 outbreak or a similar health pandemic is highly uncertain and subject to change.

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, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
Revenues				
General Property Tax	\$ 2,195,060	\$ 2,195,060	\$ 2,196,831	\$ 1,771
Specific Ownership Tax	235,000	235,000	266,199	31,199
Fire and Emergency Medical Services	2,700	2,700	4,604	1,904
Miscellaneous	138,500	138,500	4,311	(134,189)
Investment Earnings	9,000	9,000	1,488	(7,512)
Total Revenues	<u>2,580,260</u>	<u>2,580,260</u>	<u>2,473,433</u>	<u>(106,827)</u>
Expenditures				
Administrative	138,250	138,250	117,297	20,953
Operations	2,021,891	2,021,891	1,640,088	381,803
Maintenance	82,502	82,502	160,134	(77,632)
Training and Association Prevention, Safety, and Community Services	45,455	45,455	9,133	36,322
Debt Service	11,470	11,470	6,918	4,552
Capital Outlay	62,613	62,613	62,613	-
Total Expenditures	<u>520,000</u>	<u>520,000</u>	<u>519,398</u>	<u>602</u>
	<u>2,882,181</u>	<u>2,882,181</u>	<u>2,515,581</u>	<u>366,600</u>
Net Change in Fund Balance	(301,921)	(301,921)	(42,148)	259,773
Beginning Fund Balance, January 1	<u>1,693,563</u>	<u>1,693,563</u>	<u>1,649,230</u>	<u>(44,333)</u>
Ending Fund Balance, December 31	<u>\$ 1,391,642</u>	<u>\$ 1,391,642</u>	<u>\$ 1,607,082</u>	<u>\$ 215,440</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,**

	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability/(Asset)	0.11%	0.12%	0.14%	0.15%	0.15%	0.15%
District's Proportionate Share of the Net Pension Liability/(Asset)	\$ 142,393	\$ (173,760)	\$ 51,767	\$ (2,656)	\$ (168,362)	\$ (127,075)
District's Covered Payroll	\$ 754,000	\$ 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	18.89%	-24.61%	7.06%	-0.36%	-25.78%	-20.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/(Asset)	95.20%	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,**

	Statutorily Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as a % of Covered Payroll
2019	\$ 66,798	\$ 66,798	\$ -	\$ 835,000	8.00%
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 TO REQUIRED SUPPLEMENTAL INFORMATION

**CIMARRON HILLS FIRE PROTECTION DISTRICT
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION**

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 2020 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, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		<u>(Unfavorable)</u>
Administrative				
Audit and Consulting	\$ 12,025	\$ 12,025	\$ 12,831	\$ (806)
Uniform, Awards and Incentives	9,300	9,300	906	8,394
Bank Service Charges	7,700	7,700	867	6,833
Bookkeeping	23,430	23,430	24,882	(1,452)
County Treasurer Fees	32,000	32,000	32,952	(952)
Data Automation Support	6,795	6,795	4,581	2,214
Legal Fees and Notices	25,200	25,200	37,784	(12,584)
Office and Administration Supplies	3,350	3,350	996	2,354
Office and Administration Equipment	3,450	3,450	1,296	2,154
Tax Refunds	15,000	15,000	202	14,798
Total Administrative	<u>\$ 138,250</u>	<u>\$ 138,250</u>	<u>\$ 117,297</u>	<u>\$ 20,953</u>
Operations				
Utilities	\$ 20,280	\$ 20,280	\$ 15,610	\$ 4,670
Service Delivery and Fire Suppression	1,900	1,900	-	1,900
Facilities Housekeeping, Supplies and Equipment	13,050	13,050	3,321	9,729
Insurance	16,000	16,000	16,230	(230)
EMS/Medical Operations	5,400	5,400	2,208	3,192
Operations Equipment	9,000	9,000	263	8,737
Protective and Personal Equipment	27,000	27,000	889	26,111
Communications Operations	31,425	31,425	24,175	7,250
Vehicle and Apparatus Fuel	16,400	16,400	8,918	7,482
Salary	1,409,724	1,409,724	1,202,753	206,971
Benefits	381,740	381,740	312,562	69,178
Unemployment Insurance	4,241	4,241	3,773	468
Workers Compensation Insurance	65,561	65,561	38,497	27,064
Health and Wellness Program	3,770	3,770	2,264	1,506
Volunteer Stipend and Incentive Support	6,000	6,000	625	5,375
Director Stipend	10,400	10,400	8,000	2,400
Total Operations	<u>\$ 2,021,891</u>	<u>\$ 2,021,891</u>	<u>\$ 1,640,088</u>	<u>\$ 381,803</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, 2019**

Continued from Page 31

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Maintenance				
Structures, Roads and Ground Maintenance	\$ 14,442	\$ 14,442	\$ 98,375	\$ (83,933)
EMS/Medical Equipment Maintenance	2,500	2,500	-	2,500
Fire and General Equipment Maintenance	3,850	3,850	2,119	1,731
Office and Administrative				
Equipment Maintenance	2,800	2,800	1,985	815
Fixed Support Equipment Maintenance	4,000	4,000	-	4,000
Communications Maintenance	3,510	3,510	3,510	-
Vehicle and Apparatus Maintenance	45,000	45,000	51,323	(6,323)
Protective and Personal				
Equipment Maintenance	6,400	6,400	2,822	3,578
Total Maintenance	<u>\$ 82,502</u>	<u>\$ 82,502</u>	<u>\$ 160,134</u>	<u>\$ (77,632)</u>
Training and Association				
Fire Training	\$ 15,000	\$ 15,000	\$ 2,279	\$ 12,721
EMS/Medical Training	5,400	5,400	1,390	4,010
Administrative/Executive				
Trainings and Meetings	14,290	14,290	2,115	12,175
Recruiting, Testing and Hiring	7,305	7,305	295	7,010
Association Fee and Dues	3,410	3,410	3,054	356
Subscription Services	50	50	-	50
Total Training and Associations	<u>\$ 45,455</u>	<u>\$ 45,455</u>	<u>\$ 9,133</u>	<u>\$ 36,322</u>
Prevention, Safety and Community Services				
Plans, Permits and				
Code Compliance Inspections	\$ 2,500	\$ 2,500	\$ 3,275	\$ (775)
Community Information Publications	3,300	3,300	2,947	353
Prevention Education and				
Community Outreach	5,670	5,670	696	4,974
Total Prevention, Safety and Community Service	<u>\$ 11,470</u>	<u>\$ 11,470</u>	<u>\$ 6,918</u>	<u>\$ 4,552</u>

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**CIMARRON HILLS FIRE PROTECTION DISTRICT
SCHEDULES TO FINANCIAL STATEMENTS
DETAILED EXPENDITURES - GENERAL FUND
YEAR ENDED DECEMBER 31, 2019**

Continued from Page 32

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Debt Service				
Principal - 2007 Lease Purchase	\$ 60,003	\$ 60,003	\$ 60,003	\$ -
Interest - 2007 Lease Purchase	2,610	2,610	2,610	-
Total Debt Service	\$ 62,613	\$ 62,613	\$ 62,613	\$ -
Capital Outlay				
Structures, Roads and Grounds	\$ -	\$ -	\$ 9,226	\$ (9,226)
Communications	5,000	5,000	-	5,000
Vehicles and Apparatus	500,000	500,000	510,172	(10,172)
Protective and Personal	15,000	15,000	-	15,000
Total Capital Outlay	\$ 520,000	\$ 520,000	\$ 519,398	\$ 602

See Independent Auditors' Report

**CIMARRON HILLS FIRE PROTECTION DISTRICT
 FIVE-YEAR SUMMARY OF ASSESSED VALUATION,
 MILL LEVY AND PROPERTY TAXES COLLECTED
 DECEMBER 31, 2019**

<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>	
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 %
2019	\$ 135,497,500	16.200	\$ 2,195,060	\$ 2,196,831	100.08 %

Estimated for the Year Ending December 31:

2020	\$ 168,329,110	16.200	\$ 2,726,932
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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.