



CIMARRON HILLS FIRE PROTECTION DISTRICT

FINANCIAL STATEMENTS

AND

REQUIRED SUPPLEMENTAL INFORMATION

AND

SUPPLEMENTARY INFORMATION

WITH

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2022

ERICKSON, BROWN & KLOSTER, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

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

Opinion

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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of December 31, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

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INDEPENDENT AUDITORS' REPORT – CONTINUED

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Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual - General Fund, the Schedule of the District's Proportionate Share of the Net Pension Liability/(Asset) Fire Police Statewide Defined Benefit Plan, and the Schedule of Employer Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental

INDEPENDENT AUDITORS' REPORT – CONTINUED

PAGE 3

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedules to Financial Statements - Detailed Expenditures - General Fund and the Five -Year Summary of Assessed Valuation, Mill Levy and Property Taxes Collected are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements 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.

Erickson, Brown & Kloster, LLC

Colorado Springs, Colorado
April 6, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

**CIMARRON HILLS FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED DECEMBER 31, 2022**

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, 2022. 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 supplementary 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 \$5,930,368, which represents the ending net position.

**CIMARRON HILLS FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED DECEMBER 31, 2022**

OVERVIEW OF THE FINANCIAL STATEMENTS – Continued

Government-Wide Financial Highlights - Continued

- The net position increased by \$793,711 from the prior year. Approximately 71% of the net position, \$4,223,362, 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 \$3,583,570, which represents the ending fund balance.
- The ending fund balance increased by \$565,074 from the prior year. Approximately 66% of the total fund balance, \$2,352,901, 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 Supplementary 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.

**CIMARRON HILLS FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED DECEMBER 31, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Supplementary 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 \$5,930,368 as of December 31, 2022, as reflected in the total net position. Approximately 27% of the District's fund balance is in capital assets, net of any related debt.

Condensed Statement of Net Position - Two-Year Comparison

	<u>2022</u>	<u>2021</u>	<u>Change</u>
Assets			
Current and Net Pension Assets	\$ 8,190,492	\$ 6,690,318	\$ 1,500,174
Capital Assets, Net	1,587,006	1,647,046	(60,040)
Total Assets	9,777,498	8,337,364	1,440,134
Deferred Outflows of Resources	457,256	521,542	(64,286)
Total Assets and Deferred Outflows	<u>\$ 10,234,754</u>	<u>\$ 8,858,906</u>	<u>\$ 1,375,848</u>
Liabilities			
Current Liabilities	\$ 207,866	\$ 50,137	\$ 157,729
Total Liabilities	207,866	50,137	157,729
Deferred Inflows of Resources	4,096,520	3,672,112	424,408
Total Liabilities and Deferred Inflows	<u>\$ 4,304,386</u>	<u>\$ 3,722,249</u>	<u>\$ 582,137</u>
Net Position			
Net Investment in Capital Assets	\$ 1,587,006	\$ 1,647,046	\$ (60,040)
Restricted	120,000	90,000	30,000
Unrestricted	4,223,362	3,399,611	823,751
Total Net Position	<u>\$ 5,930,368</u>	<u>\$ 5,136,657</u>	<u>\$ 793,711</u>

Comments - Assets

In 2022, the District purchased the following capital assets with capital/sustainment savings:

- Carpet for Headquarters
- Hose Replacement
- EMS Cardiac Monitor
- Station Alerting System
- Knox Secure Equipment
- Body Armor
- Ambulance and Associated Equipment
- Bunker gear replacement.

**CIMARRON HILLS FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED DECEMBER 31, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Comments - Liabilities

The District has no current long-term purchases.

Condensed Statement of Activities - Two-Year Comparison

	<u>2022</u>	<u>2021</u>	<u>Change</u>
Expenses			
General and Administrative	\$ 129,473	\$ 105,735	\$ 23,738
Fire and Emergency Medical Services	3,616,610	2,774,639	841,971
Total Expenses	<u>3,746,083</u>	<u>2,880,374</u>	<u>865,709</u>
Revenues			
Program Revenues			
Fire and Emergency	848,420	463,638	384,782
Grants and Contributions	6,353	38,806	(32,453)
General Revenues			
Property Taxes	3,322,191	2,732,724	589,467
Specific Ownership Tax	341,271	318,894	22,377
Miscellaneous	524	808	(284)
Investment Earnings	16,437	828	15,609
Insurance Recovery	7,301	-	7,301
(Loss)/Gain on Disposal of Capital Assets	(2,703)	9,738	(12,441)
Total Revenues	<u>4,539,794</u>	<u>3,565,436</u>	<u>974,358</u>
Change in Net Position	793,711	685,062	108,649
Net Position - Beginning of Year	<u>5,136,657</u>	<u>4,451,595</u>	<u>685,062</u>
Net Position - End of Year	<u>\$ 5,930,368</u>	<u>\$ 5,136,657</u>	<u>\$ 793,711</u>

Comments - Expenses

In an effort to attract qualified firefighters and encourage retention of existing employees, employee compensation was increased. A 5% COLA was approved for all full-time personnel. This was implemented to be more competitive with neighboring regional departments. Full-time staffing was increased from six to eight per shift. The district implemented an advanced life support ambulance service.

**CIMARRON HILLS FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED DECEMBER 31, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Comments - Revenues

Revenues increased primarily due to the full year implementation of the wildland firefighting program. Costs incurred due to this program are reimbursed by the State for deploying to regional and national wildland fires. Revenues increased slightly due to reimbursements for billing ambulance transports, and revenue associated with this billing is projected to increase in 2023.

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 \$3,583,570, as reflected on page 6 of the financial statements. Of this amount, \$120,000 was TABOR restricted as a required reserve fund.

BUDGETARY HIGHLIGHTS

The District's 2022 final budget had total revenue of \$4,194,672. The District ended the year with total actual revenue of \$4,542,497, representing a favorable variance of \$347,825. This variance was caused due to unbudgeted reimbursements from wildland fire deployments and more plan review/inspections than anticipated.

The District's final budget had total expenditures of \$4,130,915. The District ended the year with actual audited expenditures of \$3,977,423. Actual expenditures had a favorable variance against budgeted expenditures of \$153,492. A new wildland program, implemented within the approved 2020 budget, allows the department to support desperately needed firefighting efforts throughout the State and Country and continues to provide invaluable opportunities for training and experience. The department is reimbursed for expenses incurred during wildland deployment and to backfill deployed firefighters.

**CIMARRON HILLS FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED DECEMBER 31, 2022**

BUDGETARY HIGHLIGHTS - Continued

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

	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues			
General Property Tax	\$ 3,309,701	\$ 3,322,191	\$ 12,490
Specific Ownership Tax	235,000	341,271	106,271
Fire and Emergency Medical Services	10,000	24,203	14,203
Wildland Disaster Billing	335,000	472,536	137,536
Ambulance Billing	304,971	358,034	53,063
Miscellaneous	-	7,825	7,825
Investment Earnings	-	16,437	16,437
Total Revenues	<u>4,194,672</u>	<u>4,542,497</u>	<u>347,825</u>
Expenditures			
Operations	3,496,343	3,389,701	106,642
Administrative	175,337	129,473	45,864
Training and Association	85,963	76,912	9,051
Maintenance	77,622	97,647	(20,025)
Prevention, Safety, and Community Services	18,750	9,196	9,554
Capital Outlay	276,900	274,494	2,406
Total Expenditures	<u>4,130,915</u>	<u>3,977,423</u>	<u>153,492</u>
Net Change in Fund Balance	63,757	565,074	501,317
Beginning Fund Balance, January 1	<u>2,460,321</u>	<u>3,018,496</u>	<u>558,175</u>
Ending Fund Balance, December 31	<u><u>\$ 2,524,078</u></u>	<u><u>\$ 3,583,570</u></u>	<u><u>\$ 1,059,492</u></u>

**CIMARRON HILLS FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED DECEMBER 31, 2022**

ECONOMIC FACTORS (Next Year's Budget and Rates)

The impact of proposed ballot initiatives on future revenue continues to be a concern as reductions in the residential and/or commercial assessment rates could reduce revenues substantially for some districts. The District will continue to monitor potential implications and adjust spending as necessary.

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, 2022

	Governmental Activities
Assets	
Cash	\$ 3,525,835
Cash Held by County Treasurer	24,411
Accounts Receivable, Net	236,715
Prepaid Expenses	4,475
Property Tax Receivable	3,414,946
Capital Assets, Net of Accumulated Depreciation	1,587,006
Net Pension Asset	984,110
Total Assets	\$ 9,777,498
Deferred Outflows of Resources	
Pension	\$ 457,256
Liabilities	
Accounts Payable	\$ 42,089
Wages Payable	165,777
Total Liabilities	\$ 207,866
Deferred Inflows of Resources	
Property Taxes	\$ 3,414,946
Pension	681,574
Total Deferred Inflows of Resources	\$ 4,096,520
Net Position	
Net Investment in Capital Assets	\$ 1,587,006
Restricted	120,000
Unrestricted	4,223,362
Total Net Position	\$ 5,930,368

See Notes to Financial Statements

CIMARRON HILLS FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

	Program Revenues				Net Program Expense
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Functions/Programs					
Governmental Activities					
Fire & Emergency Medical Services	\$ 3,432,857	\$ 848,420	\$ 2,843	\$ 3,510	\$ (2,578,084)
Maintenance	97,645	-	-	-	(97,645)
General and Administrative	129,473	-	-	-	(129,473)
Training and Associations	76,912	-	-	-	(76,912)
Prevention, Safety & Community Service	9,196	-	-	-	(9,196)
Total Governmental Activities	<u>\$ 3,746,083</u>	<u>\$ 848,420</u>	<u>\$ 2,843</u>	<u>\$ 3,510</u>	<u>(2,891,310)</u>
General Revenues					
General Property Tax					3,322,191
Specific Ownership Tax					341,271
Insurance Recovery					7,301
Miscellaneous					524
Investment Earnings					16,437
Loss on Disposal of Capital Assets					(2,703)
Total General Revenues					<u>3,685,021</u>
Change in Net Position					793,711
Net Position - Beginning					<u>5,136,657</u>
Net Position - Ending					<u>\$ 5,930,368</u>

See Notes to Financial Statements

**CIMARRON HILLS FIRE PROTECTION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUND - GENERAL FUND
DECEMBER 31, 2022**

ASSETS

Assets

Cash	\$ 3,525,835
Cash Held by County Treasurer	24,411
Accounts Receivable, Net	236,715
Prepaid Expenses	4,475
Property Tax Receivable	<u>3,414,946</u>
Total Assets	<u><u>\$ 7,206,382</u></u>

LIABILITIES AND FUND BALANCE

Liabilities

Accounts Payable	\$ 42,089
Wages Payable	<u>165,777</u>
Total Liabilities	<u>207,866</u>

Deferred Inflow of Resources

Property Tax	<u>3,414,946</u>
Total Deferred Inflow of Resources	<u>3,414,946</u>

Fund Balance

Nonspendable	4,475
Restricted	120,000
Assigned	1,106,194
Unassigned	<u>2,352,901</u>
Total Fund Balance	<u>3,583,570</u>

Total Liabilities, Deferred Inflow of Resources, and Fund Balance	<u><u>\$ 7,206,382</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, 2022**

Total Fund Balance - Governmental Fund	\$	3,583,570
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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		984,110
Deferred Outflows of Resources - Pension		457,256
Deferred Inflows of Resources - Pension		(681,574)

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

Capital Assets		3,495,674
Accumulated Depreciation		(1,908,668)

Total Net Position - Governmental Activities	\$	5,930,368
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**CIMARRON HILLS FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2022**

Revenues

General Property Tax	\$ 3,322,191
Specific Ownership Tax	341,271
Fire and Emergency Medical Services	24,203
Wildland Disaster Billing	472,536
Ambulance Billing	358,034
Miscellaneous	524
Investment Earnings	16,437
Total Revenues	<u>4,535,196</u>

Expenditures

Current	
Operations	3,389,701
Maintenance	97,647
General and Administrative	129,473
Training and Associations	76,912
Prevention, Safety, and Community Service	9,196
Capital Outlay	274,494
Total Expenditures	<u>3,977,423</u>

Other Financing Sources

Insurance Recovery	7,301
Total Other Financing Sources	<u>7,301</u>

Net Change in Fund Balance 565,074

Fund Balance - Beginning 3,018,496

Fund Balance - Ending \$ 3,583,570

See Notes to Financial Statements

**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, 2022**

Total Net Change in Fund Balance - Governmental Funds	\$	565,074
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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.		288,677
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays.

Depreciation Expense		(200,265)
Capital Outlay		142,928
Loss on Disposal of Assets		(2,703)
		(200,039)
 Change in Net Position - Governmental Activities	 \$	 793,711

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 a separate accounting entity. 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 refinance is not budgeted.

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

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

Accounts Receivable - 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.

Revenues – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available.

Non-exchange transactions, in which the District receives value without directly giving value in return, include property taxes, grants, and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include: 1) timing requirements, which specify the year when the resource is required to be used, or the fiscal year when use is first permitted, 2) matching requirements, in which the District must provide local resources to be used for a specific purpose, and 3) expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized.

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.

CIMARRON HILLS FIRE PROTECTION DISTRICT NOTES TO FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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.

Expenses/Expenditures – On an accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocation of cost, such as depreciation and amortization, are not recognized in governmental funds.

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.

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

CIMARRON HILLS FIRE PROTECTION DISTRICT NOTES TO FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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, 2022, 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.

Deposits – 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, 2022, deposits with a bank balance of \$1,275,037 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.

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

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

Colorado State 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, 2022, the District held no investment securities.

NOTE 2 – ACCOUNTS RECEIVABLE, NET

Accounts receivable consists of billings for ambulance and wildland services. Receivables are recorded on the District's financial statements to the extent that the amounts are determined to be material and substantiated, not only by supporting documentation but also by a reasonable, systematic method of determining their existence, completeness, valuation and collectability. Accounts receivable at December 31, 2022 consist of the following:

Wildland Billings Receivable	\$ 59,923
Ambulance Billings Receivable	315,700
Allowance for Uncollectable Accounts	(138,908)
Accounts Receivable, Net	<u><u>\$ 236,715</u></u>

CIMARRON HILLS FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 3 – CAPITAL ASSETS

Capital assets as of December 31, 2022 consist of:

Type	Cost	Accumulated Depreciation	Net Book Value	Useful Lives
Land	\$ 151,656	\$ -	\$ 151,656	Undefined
Structures, Roads, and Grounds	1,795,552	(946,623)	848,929	5 - 40 years
EMS/Medical Equipment	70,053	(28,767)	41,286	6 years
Office and Admin Equipment	15,228	(7,174)	8,054	7 - 15 years
General Equipment	196,629	(123,007)	73,622	5 - 15 years
Communications Equipment	100,947	(29,455)	71,492	7 years
Vehicles and Apparatus	1,165,609	(773,642)	391,967	5 - 15 years
	<u>\$ 3,495,674</u>	<u>\$ (1,908,668)</u>	<u>\$ 1,587,006</u>	

Capital asset activity for the year ended December 31, 2022, was as follows:

	Beginning Balance	Additions	Dispositions	Ending Balance
Capital Assets, Not Being Depreciated				
Land	\$ 151,656	\$ -	\$ -	\$ 151,656
Construction in Progress	30,000	-	(30,000)	-
Total Capital Assets, Not Being Depreciated	<u>181,656</u>	<u>-</u>	<u>(30,000)</u>	<u>151,656</u>
Capital Assets, Being Depreciated				
Structures, Roads and Grounds	1,799,145	3,777	(7,370)	1,795,552
EMS/Medical Equipment	35,188	34,865	-	70,053
Office and Admin Equipment	15,228	-	-	15,228
General Equipment	196,629	-	-	196,629
Communications Equipment	30,562	70,385	-	100,947
Vehicles and Apparatus	1,101,708	63,901	-	1,165,609
Total Capital Assets, Being Depreciated	<u>3,178,460</u>	<u>172,928</u>	<u>(7,370)</u>	<u>3,344,018</u>
Less: Accumulated Depreciation	<u>(1,713,070)</u>	<u>(200,265)</u>	<u>4,667</u>	<u>(1,908,668)</u>
Capital Assets, Being Depreciated, Net	<u>1,465,390</u>	<u>(27,337)</u>	<u>(2,703)</u>	<u>1,435,350</u>
Total Capital Assets, Net	<u>\$ 1,647,046</u>	<u>\$ (27,337)</u>	<u>\$ (32,703)</u>	<u>\$ 1,587,006</u>

Depreciation expense for the year ended December 31, 2022 was \$200,265 and was allocated to fire and emergency medical services.

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

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.

The *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, 2022, the District had net investment in capital assets as follows:

Net Investment in Capital Assets

Capital Assets, Net of Depreciation	\$ 1,587,006
Long-Term Liabilities Due Within One Year	
Capital Lease Obligations	-
Net Investment in Capital Assets	<u><u>\$ 1,587,006</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, 2022, the District had restricted net position as follows:

Restricted Net Position

TABOR Emergency Reserve (See NOTE 8)	<u><u>\$ 120,000</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, 2022, totaled \$4,223,362.

As of December 31, 2022, the fund balances were comprised of the following amounts:

Nonspendable	
Prepaid Insurance	\$ 4,475
Restricted	
Emergency (TABOR)	120,000
Assigned	
3-Month Operations and Maintenance Reserve	1,106,194
Unassigned	<u><u>2,352,901</u></u>
	<u><u>\$ 3,583,570</u></u>

CIMARRON HILLS FIRE PROTECTION DISTRICT NOTES TO FINANCIAL STATEMENTS

NOTE 5 – FIRE & POLICE STATEWIDE DEFINED BENEFIT PLAN

Plan Description - The Statewide Defined Benefit Plan (the 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 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, 2021, had 244 participating employer fire and police departments.

The Plan assets are included in the Fire & Police Members' Benefit Investment Fund and the Fire & Police Members' Self Directed Investment Fund (for Deferred Retirement Option Plan (DROP) assets and Separate Retirement Account assets from eligible retired members).

The Plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website at <https://www.FPPAco.org>.

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

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefit adjustments paid to retired members are evaluated annually and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from zero to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

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

A member may elect to participate in the DROP after reaching eligibility for Normal Retirement, Early Retirement, or Vested Retirement and age 55. A member can continue to work while participating in the DROP, but must terminate employment within five years of entry into the DROP. The member's percentage of retirement benefit is determined at the time of entry into the DROP. The monthly payments that begin at entry into the DROP are accumulated in a DROP account until the member

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

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

terminates service, at which time the DROP accumulated benefits can be paid as periodic installments, a lump sum, or, if desired, a member may elect to convert the DROP to a lifetime monthly benefit with survivor benefits. While participating in the DROP, the member continues to make pension contributions, which are credited to the DROP. Effective January 1, 2003, the member shall self-direct the investments of their DROP funds. The DROP balance invested with the asset custodian at December 31, 2021 was \$108,384,487. This amount was not included in the Plan Net Position.

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

In 2014, the members elected to increase the member contribution rate to the Plan beginning in 2015. Member contribution rates increased 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13.0 percent of pensionable earnings. In 2021, members of the Plan and their employers are contributing at the rate of 11.5 percent and 8.5 percent, respectively, of pensionable earnings for a total contribution rate of 20.0 percent.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reflect the actual cost of reentry by department. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

The contribution rate for members and employers of affiliated social security employers is 5.75 percent and 4.25 percent, respectively, of pensionable earnings for a total contribution rate of 10.0 percent in 2021. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

Contributions to the Plan from the District were \$162,761 for the year ended December 31, 2022.

Net Pension Asset - At December 31, 2022, the District reported an asset of \$984,110 for its proportionate share of the net pension asset.

The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2021. 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, 2021, the District's proportion was 0.181592 percent compared to 0.143705 percent measured as of December 31, 2020.

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

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

For the fiscal year ended December 31, 2022, the District recognized pension income of \$125,916. At December 31, 2022, 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	\$ 281,803	\$ 22,952
Changes in Assumptions	140,341	-
Net Difference Between Actual and Projected Earnings on Pension Plan Investments	-	658,622
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	(127,649)	-
District Contributions Subsequent to Measurement Date	162,761	-
Totals	<u><u>\$ 457,256</u></u>	<u><u>\$ 681,574</u></u>

The \$162,761 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ended December 31,	Amortization
2023	\$ (103,885)
2024	(172,029)
2025	(102,786)
2026	(39,136)
2027	42,372
Thereafter	(11,615)
	<u><u>\$ (387,079)</u></u>

**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, 2021. 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, 2022	January 1, 2021
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, Net*	7.00%	7.00%
Projected Salary Increases*	4.25% – 11.25%	4.25% – 11.25%
Cost of Living Adjustment (COLA)	0.00%	0.00%
*Includes Inflation at	2.50%	2.50%

For determining the total pension liability and actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The preretirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years, the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent).

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

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

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, 2021, are summarized in the table below:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	39%	8.23%
Equity Long/Short	8%	6.87%
Private Markets	26%	10.63%
Fixed Income - Rates	10%	4.01%
Fixed Income - Credit	5%	5.25%
Absolute Return	10%	5.60%
Cash	2%	2.32%
Total	100%	

Discount Rate - The discount rate used to measure the total pension liability was 7 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the 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 percent; the municipal bond rate is 1.84 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting single discount rate is 7 percent.

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

NOTE 5 – 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 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	Current	1% Increase
	(6%)	Discount Rate	(8%)
	<u> </u>	<u> </u>	<u> </u>
Net Pension Liability/(Asset)	\$ (135,715)	\$ (984,108)	\$ (1,686,955)

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.

Subsequent Events:

Statewide Retirement Plan – During 2022, House Bill 22-1034 was signed into law. This legislation combines the assets and liabilities of the Statewide Defined Benefit Plan and Statewide Hybrid Plan to form the Statewide Retirement Plan effective January 1, 2023. The merger will result in increased longer term stability for both plans in addition to simplification of administration, operation and communication of benefits. The financial impact of the merger of plans is being determined.

Actuarial Experience Study – During 2022, FPPA engaged Gabriel, Roeder Smith & Co. to complete an actuarial experience study. The FPPA Board of Directors accepted the findings of the study at its July 28, 2022 meeting. These assumptions will be included in the Statewide Retirement Plan valuation as of January 1, 2023.

NOTE 6 – 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, 2022, employer and employee contributions were \$7,148 and \$44,867, respectively.

CIMARRON HILLS FIRE PROTECTION DISTRICT NOTES TO FINANCIAL STATEMENTS

NOTE 6 – SECTION 457 DEFERRED COMPENSATION PLAN - Continued

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 the 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 7 – STATEWIDE DEATH AND DISABILITY PLAN

Plan Description - The District contributes to the Statewide Death and Disability Plan (D&D Plan) administered by the FPPA. The D&D Plan is a cost-sharing multiple-employer defined benefit death and disability plan covering full-time employees of substantially all fire and police departments in Colorado. As of August 5, 2003, the D&D Plan may include part-time police and fire employees. Contributions to the D&D Plan are used for the payment of death and disability benefits. Employers who are covered by Social Security may elect supplementary coverage by the Plan. As of January 1, 2020, Colorado police and sheriff departments who participate in Social Security have the option of affiliating for coverage under the Defined Benefit System and the D&D Plan. The D&D Plan was established in 1980 pursuant to Colorado Revised Statutes and currently has 268 participating employer departments. Included in that number are 7 contributing employers as of December 31, 2021, who are covered by Social Security and have elected supplementary coverage by the D&D Plan.

The D&D Plan assets are included in the Fire & Police Members' Benefit Investment Fund Long-Term Pool. The Long-Term Pool is designed primarily for open plans with a longer time horizon, higher risk tolerance, and lower liquidity needs. The investment return assumption is 7%.

The 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. The FPPA issues a publicly available financial report that may be obtained at <https://www.fppaco.org>.

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.

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. Through December 31, 2020, contributions could be increased 0.1 percent biennially by the FPPA Board. The contribution rate increased to 2.8 percent of base salary as of January 1, 2019. Effective January 1, 2021, the contribution rate increased to 3 percent of base salary and may be increased 0.2 percent annually by the FPPA Board. This percentage can vary depending on actuarial experience. All contributions are made by members or on behalf of members. The contribution may be paid entirely by the employer or member, or may be split between the employer and the member as determined at the local level. District contributions to the D&D Plan were \$52,945 for the year ended December 31, 2022.

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

NOTE 7 – STATEWIDE DEATH AND DISABILITY PLAN - Continued

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 to 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 are 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.

For purposes of the D&D Plan, a spouse includes a partner in a civil union. These benefits are offset by Money Purchase account balances, Stabilization Reserve Accounts (SRA), and Deferred Retirement Option Plan (DROP) accounts, converted to annuities.

The D&D Plan provides the members with two types of disability: occupational and total.

Occupational Disability means a member is unable to perform their assigned duties due to a medical condition that is expected to last at least one year. Assigned duties are those specific tasks or job duties that a member is required to regularly perform. Within the Occupational Disability category, there are two sub-categories: Temporary Occupational Disability and Permanent Occupational Disability.

Temporary Occupational Disability is an occupational disability for which there is prognosis for improvement or recovery through surgical treatment, counseling, medication, therapy, or other means.

Permanent Occupational Disability is an occupational disability caused by a condition that is permanent or degenerative and for which there is no prognosis for improvement or recovery through surgical treatment, counseling, medication, therapy, or other means.

Total Disability means the member is unable to engage in any substantial gainful activity due to a medically determined physical or mental impairment that may be expected to result in death or that has lasted or is expected to last at least one year. A member who becomes disabled prior to normal retirement eligibility shall be eligible for disability benefits. If the member is totally disabled, the member shall receive 70 percent of their base salary preceding disability.

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

NOTE 7 – STATEWIDE DEATH & DISABILITY PLAN – Continued

If the member is occupationally disabled and their disability is determined to be a permanent occupational disability, the member shall receive 50 percent of their base salary preceding disability regardless of their family status. If the member is occupationally disabled and the disability is determined to be a temporary occupational disability, the member shall receive 40 percent of their base salary preceding disability regardless of their family status for up to five years.

Total disability and permanent occupational disability benefits are offset by the Money Purchase, SRA, or DROP balances, converted to annuities. For members who also participate in Social Security, disability benefits are reduced by Social Security disability benefits derived from employment as a member, if applicable.

Temporary Occupational Disability benefits are payable for a maximum of five years. Permanent Occupational and Total Disability benefits are payable as long as the member remains disabled.

A benefit adjustment of up to 3 percent may be granted to members and spouses by the Fire & Police Pension Association 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.

NOTE 8 – 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 \$120,000 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.

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

NOTE 8 – TAX, SPENDING, REVENUE, AND DEBT LIMITATIONS - Continued

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 9 – 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 10 – RISKS AND UNCERTAINTIES

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.

NOTE 11 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of the attached independent auditors' report, the date on which the financial statements were available to be released.

REQUIRED SUPPLEMENTARY INFORMATION

**CIMARRON HILLS FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCE,
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
General Property Tax	\$ 3,309,701	\$ 3,309,701	\$ 3,322,191	\$ 12,490
Specific Ownership Tax	235,000	235,000	341,271	106,271
Fire and Emergency Medical Services	10,000	10,000	24,203	14,203
Wildland Disaster Billing	335,000	335,000	472,536	137,536
Ambulance Billing	304,971	304,971	358,034	53,063
Miscellaneous	-	-	7,825	7,825
Investment Earnings	-	-	16,437	16,437
Total Revenues	<u>4,194,672</u>	<u>4,194,672</u>	<u>4,542,497</u>	<u>347,825</u>
Expenditures				
Operations	3,496,343	3,496,343	3,389,701	106,642
Maintenance	77,622	77,622	97,647	(20,025)
Administrative	175,337	175,337	129,473	45,864
Training and Association Prevention, Safety, and Community Services	85,963	85,963	76,912	9,051
	18,750	18,750	9,196	9,554
Capital Outlay	276,900	276,900	274,494	2,406
Total Expenditures	<u>4,130,915</u>	<u>4,130,915</u>	<u>3,977,423</u>	<u>153,492</u>
Net Change in Fund Balance	63,757	63,757	565,074	501,317
Beginning Fund Balance, January 1	<u>2,460,321</u>	<u>2,460,321</u>	<u>3,018,496</u>	<u>558,175</u>
Ending Fund Balance, December 31	<u>\$ 2,524,078</u>	<u>\$ 2,524,078</u>	<u>\$ 3,583,570</u>	<u>\$ 1,059,492</u>

See Independent Auditors' Report and 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,**

	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability/(Asset)	0.18%	0.14%	0.11%	0.11%	0.12%	0.14%	0.15%	0.15%	0.15%
District's Proportionate Share of the Net Pension Liability/(Asset)	\$ (984,110)	\$ (311,984)	\$ (64,072)	\$ 142,393	\$ (173,760)	\$ 51,767	\$ (2,656)	\$ (168,362)	\$ (127,075)
District's Covered Payroll	\$ 1,462,000	\$ 1,154,000	\$ 835,000	\$ 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	-67.31%	-27.04%	-7.67%	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)	116.20%	106.70%	101.90%	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
2022	\$ 162,761	\$ 162,761	\$ -	\$ 1,808,000	9.00%
2021	\$ 124,258	\$ 124,258	\$ -	\$ 1,462,000	8.50%
2020	\$ 92,340	\$ 92,340	\$ -	\$ 1,154,000	8.00%
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 SUPPLEMENTARY INFORMATION

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

BUDGETARY INFORMATION

Cimarron Hills Fire 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 increased in 2021 as a result of 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.

SUPPLEMENTARY INFORMATION

**CIMARRON HILLS FIRE PROTECTION DISTRICT
SCHEDULES TO FINANCIAL STATEMENTS
DETAILED EXPENDITURES - GENERAL FUND
YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Administrative				
Audit and Consulting	\$ 13,675	\$ 13,675	\$ 14,369	\$ (694)
Awards, Incentives, and Events	30,250	30,250	20,948	9,302
Bank Service Charges	3,630	3,630	6,398	(2,768)
Payroll Service Charges	6,200	6,200	5,387	813
County Treasurer Fees	49,646	49,646	49,824	(178)
Data Automation Support	14,490	14,490	10,963	3,527
Election	8,000	8,000	3,332	4,668
Legal Fees and Notices	20,000	20,000	1,903	18,097
Office Supplies and Equipment	9,446	9,446	8,359	1,087
Tax Refunds	20,000	20,000	8,004	11,996
Miscellaneous	-	-	(14)	14
Total Administrative	\$ 175,337	\$ 175,337	\$ 129,473	\$ 45,864
Operations				
Utilities	\$ 20,400	\$ 20,400	\$ 19,792	\$ 608
Fire Rescue Operations	18,700	18,700	17,548	1,152
Wildland Fire Operations	79,500	79,500	59,267	20,233
Insurance	20,900	20,900	21,985	(1,085)
EMS/Medical Operations	42,700	42,700	175,416	(132,716)
Protective and Personal Equipment (PPE)				
Operations	19,000	19,000	15,632	3,368
Structures, Roads, and Grounds Operations	18,500	18,500	13,456	5,044
Communications Operations	32,018	32,018	33,992	(1,974)
Vehicle and Apparatus Fuel	30,000	30,000	28,223	1,777
Salary	2,451,025	2,451,025	2,296,111	154,914
Benefits	625,856	625,856	622,144	3,712
Unemployment Insurance	500	500	-	500
Workers Compensation Insurance	84,744	84,744	50,874	33,870
Health and Wellness Program	14,200	14,200	3,580	10,620
Director Stipend	12,000	12,000	6,100	5,900
Uniforms	26,300	26,300	25,581	719
Total Operations	\$ 3,496,343	\$ 3,496,343	\$ 3,389,701	\$ 106,642

Continued on Next Page

See Independent Auditors' Report

CIMARRON HILLS FIRE PROTECTION DISTRICT
SCHEDULES TO FINANCIAL STATEMENTS
DETAILED EXPENDITURES - GENERAL FUND
YEAR ENDED DECEMBER 31, 2022

Continued from Previous Page

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Maintenance				
Structures, Roads, and Ground Maintenance	\$ 19,272	\$ 19,272	\$ 26,951	\$ (7,679)
Vehicle and Apparatus Maintenance	58,350	58,350	70,696	(12,346)
Total Maintenance	<u>\$ 77,622</u>	<u>\$ 77,622</u>	<u>\$ 97,647</u>	<u>\$ (20,025)</u>
Training and Associations				
Fire Training	\$ 76,500	\$ 76,500	\$ 70,747	\$ 5,753
Recruiting, Testing, and Hiring	5,738	5,738	3,392	2,346
Association Fee and Dues	3,725	3,725	2,773	952
Total Training and Associations	<u>\$ 85,963</u>	<u>\$ 85,963</u>	<u>\$ 76,912</u>	<u>\$ 9,051</u>
Prevention, Safety, and Community Service				
Plans, Permits, and				
Code Compliance Inspections	\$ 1,000	\$ 1,000	\$ -	\$ 1,000
Fire Investigations	2,000	2,000	-	2,000
Fire Prevention Education	7,900	7,900	2,781	5,119
Community Outreach	7,850	7,850	6,415	1,435
Total Prevention, Safety, and Community Service	<u>\$ 18,750</u>	<u>\$ 18,750</u>	<u>\$ 9,196</u>	<u>\$ 9,554</u>
Capital Outlay				
Structures, Roads, and Grounds	\$ 15,500	\$ 15,500	\$ 19,158	\$ (3,658)
General Operations	47,000	47,000	8,930	38,070
Administrative Operations	-	-	-	-
Communications Operations	22,000	22,000	21,492	508
Vehicles and Apparatus	12,800	12,800	50,350	(37,550)
Protective and Personal Equipment	57,600	57,600	56,415	1,185
Wildland/Disaster Operations	4,000	4,000	3,617	383
EMS Operations	118,000	118,000	114,532	3,468
Total Capital Outlay	<u>\$ 276,900</u>	<u>\$ 276,900</u>	<u>\$ 274,494</u>	<u>\$ 2,406</u>

See Independent Auditors' Report

**CIMARRON HILLS FIRE PROTECTION DISTRICT
FIVE-YEAR SUMMARY OF ASSESSED VALUATION,
MILL LEVY AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2022**

<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>	
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 %
2020	\$ 168,329,110	16.200	\$ 2,726,932	\$ 2,717,988	99.67 %
2021	\$ 168,348,100	16.200	\$ 2,727,239	\$ 2,732,724	100.20 %
2022	\$ 204,302,540	16.200	3,309,701	3,322,191	100.38 %

Estimated for the Year Ending December 31:

2023	\$ 205,459,730	16.621	\$ 3,414,946
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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.