



CIMARRON HILLS FIRE PROTECTION DISTRICT

FINANCIAL STATEMENTS

AND

REQUIRED SUPPLEMENTAL INFORMATION

AND

SUPPLEMENTARY INFORMATION

WITH

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2024

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INDEPENDENT AUDITORS' REPORT

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

Opinions

We have audited the financial statements of the governmental activities and the General Fund of Cimarron Hills Fire Protection District (District), as of December 31, 2024 and for the year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and General Fund of the District as of December 31, 2024, 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 Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the 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 opinions.

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.

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit 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 GAAS. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

CBIZ CPAs P.C.

Colorado Springs, Colorado
June 18, 2025

***MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)***

**CIMARRON HILLS FIRE PROTECTION DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR FISCAL YEAR ENDED DECEMBER 31, 2024**

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, 2024. 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 and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$8,621,742 which represents the ending net position.

**CIMARRON HILLS FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR FISCAL YEAR ENDED DECEMBER 31, 2024**

OVERVIEW OF THE FINANCIAL STATEMENTS – Continued

- The net position increased by \$1,965,764 from the prior year. Approximately 71% of the net position, \$6,115,559, 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.

General 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 \$5,378,470 which represents the ending fund balance.
- The ending fund balance increased by \$1,178,920 from the prior year. Approximately 68% of the total fund balance, \$3,675,800 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 (UNAUDITED)
FOR FISCAL YEAR ENDED DECEMBER 31, 2024**

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 \$8,621,742 as of December 31, 2024, as reflected in the total net position. Approximately 26% of the District's fund balance is in capital assets, net of any related debt.

Condensed Statement of Net Position - Two-Year Comparison

	<u>2024</u>	<u>2023</u>	<u>Change</u>
Assets			
Current Assets	\$ 9,676,044	\$ 8,380,752	\$ 1,295,292
Capital Assets, Net	4,011,199	1,609,886	2,401,313
Total Assets	<u>13,687,243</u>	<u>9,990,638</u>	<u>3,696,605</u>
Deferred Outflows of Resources	<u>1,220,120</u>	<u>1,053,690</u>	<u>166,430</u>
Total Assets and Deferred Outflows	<u><u>\$ 14,907,363</u></u>	<u><u>\$ 11,044,328</u></u>	<u><u>\$ 3,863,035</u></u>
Liabilities			
Current Liabilities	\$ 349,293	\$ 315,676	\$ 33,617
Long-Term Liabilities	1,617,418	-	1,617,418
Total Liabilities	<u>1,966,711</u>	<u>315,676</u>	<u>1,651,035</u>
Deferred Inflows of Resources	<u>4,318,910</u>	<u>4,072,674</u>	<u>246,236</u>
Total Liabilities and Deferred Inflows	<u><u>\$ 6,285,621</u></u>	<u><u>\$ 4,388,350</u></u>	<u><u>\$ 1,897,271</u></u>
Net Position			
Net Investment in Capital Assets	\$ 2,267,183	\$ 1,609,886	\$ 657,297
Restricted	239,000	144,000	95,000
Unrestricted	<u>6,115,559</u>	<u>4,902,092</u>	<u>1,213,467</u>
Total Net Position	<u><u>\$ 8,621,742</u></u>	<u><u>\$ 6,655,978</u></u>	<u><u>\$ 1,965,764</u></u>

Comments - Assets

In 2024, the District purchased the following capital assets with capital/sustainment savings:

- Brush truck
- ATV with plow
- Storage conex containers

**CIMARRON HILLS FIRE PROTECTION DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR FISCAL YEAR ENDED DECEMBER 31, 2024**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

The District purchased the following capital assets with a lease purchase agreement:

- 1015 valley lot
- 1015 valley building and building upgrades

Comments - Liabilities

The District had long-term liabilities of \$1,666,640 from a 2024 lease purchase agreement with a 5% interest rate and 20 years of annual payments and accrued compensated absences.

Condensed Statement of Activities - Two-Year Comparison

	2024	2023	Change
Expenses			
General and Administrative	\$ 197,848	\$ 133,045	\$ 64,803
Fire and Emergency			
Medical Services	5,231,579	4,546,976	684,603
Total Expenses	5,429,427	4,680,021	749,406
 Revenues			
Program Revenues			
Charges for Services	2,231,617	1,276,235	955,382
Grants and Contributions	5,810	80,203	(74,393)
General Revenues			
Property Taxes	4,534,504	3,409,812	1,124,692
Specific Ownership Tax	376,593	358,241	18,352
Miscellaneous	1,183	11,682	(10,499)
Investment Earnings	245,484	171,083	74,401
Loss on Disposal of Capital Assets	-	(1,459)	1,459
Total Revenues	7,395,191	5,305,797	2,089,394
 Change in Net Position	1,965,764	625,776	1,339,988
 Net Position - Beginning of Year	6,655,978	6,030,202	625,776
 Net Position - End of Year	\$ 8,621,742	\$ 6,655,978	\$ 1,965,764

**CIMARRON HILLS FIRE PROTECTION DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR FISCAL YEAR ENDED DECEMBER 31, 2024**

Comments - Expenses

To attract Qualified firefighters and encourage retention of existing employees, the CHFD pay structure was updated to bring salaries more in line with regional partners across all positions. Several major purchases were planned to include new kitchen appliances for the station, an ATV with snow plow, a Type 3 Wildland Engine, and a large investment in wildland PPE and radios. In addition, to meet training goals for our personnel, Fire Officer 1 and Fire Instructor 1 certification courses were brought in-house through Alabama Fire College.

Comments - Revenues

Revenues increased primarily due to wildland firefighting program and a full-year of billing for ambulance transport. Costs incurred due to the wildland program are reimbursed by the State for deploying to regional and national wildland fires.

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 \$5,378,470 as reflected on page 6 of the financial statements. Of this amount, \$239,000 was restricted as a required reserve fund under requirements of the Colorado Taxpayer Bill of Rights (TABOR).

BUDGETARY HIGHLIGHTS

The District’s 2024 final budget had total revenue of \$5,498,027. The District ended the year with total actual revenue of \$7,395,191 representing a favorable variance of \$1,897,164. This variance was caused due to unbudgeted reimbursements from wildland fire deployments, property tax backfill received from the State pursuant to SB22-238 and SB23B-001, and the receipt of funds for a lease purchase agreement at the end of the year.”

The District’s final budget had total expenditures of \$6,517,295. The District ended the year with actual audited expenditures of \$7,960,287. Actual expenditures had an unfavorable variance against budgeted expenditures of \$1,442,992. This variance was caused by the unbudgeted year-end purchase of land and a building with funds from a lease purchase agreement.

**CIMARRON HILLS FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR FISCAL YEAR ENDED DECEMBER 31, 2024**

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	\$ 4,050,027	\$ 4,534,504	\$ 484,477
Specific Ownership Tax	235,000	376,593	141,593
Fire and Emergency Medical Services	10,000	19,048	9,048
Wildland Disaster Billing	600,000	1,450,598	850,598
Ambulance Billing	471,000	762,605	291,605
Grants	-	5,176	5,176
Miscellaneous	-	1,183	1,183
Investment Earnings	132,000	245,484	113,484
Total Revenues	5,498,027	7,395,191	1,897,164
Expenditures			
Operations	4,951,384	4,819,479	131,905
Maintenance	107,200	91,044	16,156
Administrative	206,781	197,848	8,933
Training and Association Prevention, Safety, and Community Services	121,070	84,568	36,502
Capital Outlay	20,850	12,678	8,172
Total Expenditures	1,110,010	2,754,670	(1,644,660)
Total Expenditures	6,517,295	7,960,287	(1,442,992)
Other Financing Sources			
Proceeds from Issuance of Lease Purchase Agreement	-	1,744,016	1,744,016
Net Change in Fund Balance	(1,019,268)	1,178,920	2,198,188
Beginning Fund Balance, January 1	3,647,912	4,199,550	551,638
Ending Fund Balance, December 31	\$ 2,628,644	\$ 5,378,470	\$ 2,749,826

**CIMARRON HILLS FIRE PROTECTION DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR FISCAL YEAR ENDED DECEMBER 31, 2024**

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, 2024

	<u>Governmental Activities</u>
Assets	
Cash	\$ 2,036,762
Cash Held by County Treasurer	24,411
Investments	2,718,320
Ambulance Billings Receivable, Net	167,933
Wildland Fire Receivable	649,264
Prepaid Expenses	4,475
Property Tax Receivable	4,074,879
Capital Assets, Net of Accumulated Depreciation	4,011,199
Total Assets	<u><u>\$ 13,687,243</u></u>
 Deferred Outflows of Resources	
Pension	<u><u>\$ 1,220,120</u></u>
 Liabilities	
Accounts Payable	\$ 42,902
Wages Payable	179,793
Lease Payable - Current	126,598
Lease Payable - Noncurrent	1,617,418
Total Liabilities	<u><u>\$ 1,966,711</u></u>
 Deferred Inflows of Resources	
Property Taxes	\$ 4,074,879
Pension	244,031
Total Deferred Inflows of Resources	<u><u>\$ 4,318,910</u></u>
 Net Position	
Net Investment in Capital Assets	\$ 2,267,183
Restricted	239,000
Unrestricted	6,115,559
Total Net Position	<u><u>\$ 8,621,742</u></u>

See Notes to Financial Statements

**CIMARRON HILLS FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

Functions/Programs	Program Revenues				Net Program Expense
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
Fire & Emergency Medical Services	\$ 4,895,588	\$ 2,231,617	\$ 634	\$ 5,176	\$ (2,658,161)
Maintenance	91,043	-	-	-	(91,043)
General and Administrative	197,848	-	-	-	(197,848)
Training and Associations	84,568	-	-	-	(84,568)
Prevention, Safety, & Community Service	12,678	-	-	-	(12,678)
Capital Purchases	147,702	-	-	-	(147,702)
Total Governmental Activities	\$ 5,429,427	\$ 2,231,617	\$ 634	\$ 5,176	(3,192,000)
General Revenues					
General Property Tax					4,534,504
Specific Ownership Tax					376,593
Miscellaneous					1,183
Investment Earnings					245,484
Total General Revenues					5,157,764
Change in Net Position					1,965,764
Net Position - Beginning					6,655,978
Net Position - Ending					\$ 8,621,742

See Notes to Financial Statements

**CIMARRON HILLS FIRE PROTECTION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUND - GENERAL FUND
DECEMBER 31, 2024**

ASSETS

Assets

Cash	\$	2,036,762
Cash Held by County Treasurer		24,411
Investments		2,718,320
Accounts Receivable, Net		167,933
Wildland Fire Receivable		649,264
Prepaid Expenses		4,475
Property Tax Receivable		4,074,879
 Total Assets	 \$	 9,676,044

LIABILITIES AND FUND BALANCE

Liabilities

Accounts Payable	\$	42,902
Wages Payable		179,793
Total Liabilities		222,695

Deferred Inflow of Resources

Property Tax		4,074,879
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Fund Balance

Nonspendable		4,475
Restricted		239,000
Assigned		1,459,195
Unassigned		3,675,800
Total Fund Balance		5,378,470

Total Liabilities, Deferred Inflow of Resources, and Fund Balance	\$	9,676,044
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**CIMARRON HILLS FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2024**

Total Fund Balance - Governmental Fund \$ 5,378,470

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.

Deferred Outflows of Resources - Pension	1,220,120
Deferred Inflows of Resources - Pension	(244,031)

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

Capital Assets	6,235,957
Accumulated Depreciation	(2,224,758)

Long-term liabilities, including compensated absences and capital leases, are not due and payable in the current period, and therefore are not reported as liabilities in the funds.

(1,744,016)

Total Net Position - Governmental Activities	\$ <u><u>8,621,742</u></u>
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**CIMARRON HILLS FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2024**

Revenues

General Property Tax	\$	4,534,504
Specific Ownership Tax		376,593
Fire and Emergency Medical Services		19,048
Wildland Disaster Billing		1,450,598
Ambulance Billing		762,605
Grants		5,176
Miscellaneous		1,183
Investment Earnings		245,484
Total Revenues		7,395,191

Expenditures

Current		
Operations		4,819,479
Maintenance		91,044
General and Administrative		197,848
Training and Associations		84,568
Prevention, Safety, and Community Service		12,678
Capital Outlay		2,754,670
Total Expenditures		7,960,287

Other Financing Sources

Proceeds from Issuance of Lease Purchase Agreements		1,744,016
Total Other Financing Sources		1,744,016

Net Change in Fund Balance 1,178,920

Fund Balance - Beginning 4,199,550

Fund Balance - Ending \$ 5,378,470

**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, 2024**

Total Net Change in Fund Balance - Governmental Funds \$ 1,178,920

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. 129,547

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	(205,656)
Capital Outlay	2,606,969

The issuance of long-term debt (i.e., bonds and leases) provides current financial resources to governmental funds, while repayment of the principle of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. The amount is the net effect of these differences in the treatment of long-term debt and related items.

Proceeds from Issuance of Lease Purchase Agreements	(1,744,016)
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Change in Net Position - Governmental Activities	\$ 1,965,764
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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 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.

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 "net investment in capital assets."

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, 2024, 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 GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

New Accounting Pronouncements - For 2024, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. GASB Statement No. 101 updates the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Adoption of this new standard had no material impact on the District's financial statements.

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 regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified by PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The State Regulatory Commission for banks is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

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.

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

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

As of December 31, 2024, deposits with a bank balance of \$1,786,291 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, which include:

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

The COLOTRUST PLUS+ is rated AAAM by Standard and Poor's and the weighted average maturity to reset (WAM)(R) is kept under 60 days.

As of December 31, 2024, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Restriction</u>	<u>Amount</u>
COLOTRUST PLUS+	Weighted Average under 60 Days	None	<u>\$ 2,718,320</u>

Certain investments are required to be measured at fair value on a recurring basis and categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District's investments are not categorized within the fair value hierarchy. Instead, the District's investments are measured at amortized cost or in certain circumstances the value is calculated using the net asset value (NAV) per share, or its equivalent of the investment. These investments include 2a7-like external investment pools and money market investments. The District held investments in COLOTRUST at year-end for which the investment valuations were determined as follows.

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

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

COLOTRUST determines the NAV of the shares of each portfolio as of the close of business of each day. The NAV per share of each portfolio is computed by dividing the total value of the securities and other assets of the portfolios, less any liabilities, by the total outstanding shares of the portfolios.

Liabilities, which include all expenses and fees of COLOTRUST, are accrued daily. The NAV is calculated at fair value using various inputs in determine value in accordance with FASB guidance. It is the goal of the Trust to maintain a NAV of \$1 per share, however changes in interest rates may affect the fair value of the securities held by COLOTRUST and there can be no assurance that the NAV will not vary from \$1 per share. The investment pool financial statements can be obtained at www.colotrust.com.

NOTE 2 – ACCOUNTS RECEIVABLE

Accounts receivable consists of billings for ambulance and wildland firefighting 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, 2024 consist of the following:

Ambulance Billings Receivable	\$	529,533
Allowance for Uncollectable Accounts		<u>(361,600)</u>
Ambulance Billing Receivables, Net		<u><u>\$ 167,933</u></u>
Wildland Billings Receivable	\$	<u><u>649,264</u></u>

NOTE 3 – CAPITAL ASSETS

Capital assets as of December 31, 2024 consist of:

<u>Type</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Useful Lives</u>
Land	\$ 345,060	\$ -	\$ 345,060	Undefined
Structures, Roads, and Grounds	4,060,672	(1,018,274)	3,042,398	5 - 40 years
EMS/Medical Equipment	133,697	(56,777)	76,920	6 years
Office and Admin Equipment	15,228	(10,304)	4,924	7 - 15 years
General Equipment	196,629	(165,724)	30,905	5 - 15 years
Communications Equipment	78,701	(20,230)	58,471	7 years
Vehicles and Apparatus	1,405,971	(953,450)	452,521	5 - 15 years
	<u><u>\$ 6,235,958</u></u>	<u><u>\$ (2,224,759)</u></u>	<u><u>\$ 4,011,199</u></u>	

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

NOTE 3 – CAPITAL ASSETS – Continued

Capital asset activity for the year ended December 31, 2024, 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	\$ 193,404	\$ -	\$ 345,060
Total Capital Assets, Not Being Depreciated	<u>151,656</u>	<u>193,404</u>	<u>-</u>	<u>345,060</u>
Capital Assets, Being Depreciated				
Structures, Roads and Grounds	1,754,196	2,314,143	(7,667)	4,060,672
EMS/Medical Equipment	133,697	-	-	133,697
Office and Admin Equipment	15,228	-	-	15,228
General Equipment	196,629	-	-	196,629
Communications Equipment	78,701	-	-	78,701
Vehicles and Apparatus	1,306,549	99,422	-	1,405,971
Total Capital Assets, Being Depreciated	<u>3,485,000</u>	<u>2,413,565</u>	<u>(7,667)</u>	<u>5,890,898</u>
Less: Accumulated Depreciation	<u>(2,026,770)</u>	<u>(205,656)</u>	<u>7,667</u>	<u>(2,224,759)</u>
Capital Assets, Being Depreciated, Net	<u>1,458,230</u>	<u>2,207,909</u>	<u>-</u>	<u>3,666,139</u>
Total Capital Assets, Net	<u>\$ 1,609,886</u>	<u>\$ 2,401,313</u>	<u>\$ -</u>	<u>\$ 4,011,199</u>

Depreciation expense for the year ended December 31, 2024 was \$205,656 and was allocated to fire and emergency medical services.

NOTE 4 – LONG-TERM LIABILITIES

Lease-Purchase Option Agreements – In 2024, the District entered into a \$1,744,015 lease purchase agreement for the purchase of land and a new firehouse in the District. The lease-purchase agreement requires the annual appropriation of funds sufficient to cover the debt service payments. The terms of the lease stipulate an interest rate of 5% with 20 years of annual payments.

The lease purchase agreement obtained a right of first lien on the asset, including any improvements. The District has agreed to maintain appropriate liability coverage for the asset purchased and to maintain the assets in good repair. The agreement contains a provision that in an event of default by the District, the lessor may terminate the District’s right to the property, including all improvements, and all outstanding amounts become immediately due. The District is in compliance with all reporting requirements and covenanted terms of the agreement as of December 31, 2024.

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

NOTE 4 – LONG-TERM LIABILITIES – Continued

The following is a summary of the future maturities for the lease purchase agreement:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 126,598	\$ 7,994	\$ 134,592
2026	52,598	81,994	134,592
2027	55,264	79,328	134,592
2028	58,066	76,526	134,592
2029	61,009	73,582	134,591
2030-2034	354,696	318,263	672,959
2035-2039	454,190	218,768	672,958
2040-2044	581,595	91,364	672,959
Total	<u>\$ 1,744,016</u>	<u>\$ 947,819</u>	<u>\$ 2,691,835</u>

NOTE 5 – NET POSITION AND FUND BALANCES

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

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, 2024, the District had net investment in capital assets as follows:

Net Investment in Capital Assets

Capital Assets, Net of Depreciation	\$ 4,011,199
Capital Lease Obligations - Current	(126,598)
Capital Lease Obligations - Long Term	<u>(1,617,418)</u>
Net Investment in Capital Assets	<u>\$ 2,267,183</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, 2024, the District had restricted net position as follows:

Restricted Net Position

TABOR Emergency Reserve (See Note 9)	<u>\$ 239,000</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, 2024, totaled \$6,115,559.

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

NOTE 5 – NET POSITION AND FUND BALANCES – Continued

As of December 31, 2024 , the fund balances were comprised of the following amounts:

Nonspendable		
Prepaid Insurance	\$	4,475
Restricted		
Emergency (TABOR)		239,000
Assigned		
3-Month Operations and Maintenance Reserve		1,459,195
Unassigned		3,675,800
	\$	<u>5,378,470</u>

NOTE 6 – FIRE & POLICE STATEWIDE DEFINED BENEFIT PLAN

Plan Description - The Statewide Retirement Plan is a cost-sharing multiple-employer defined benefit pension plan. The Plan consists of four components: Defined Benefit Component, Hybrid Defined Benefit Component, Social Security Component and Money Purchase Component. The Plan currently has 230 participating employer fire and police departments.

The Defined Benefit Component and Social Security Component cover substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978, provided that they are not already covered by a statutorily exempt plan. Employers once had the option to withdraw from the Plan, but a change in state statutes eliminated this option effective January 1, 1988, unless the employer elects and is determined to be eligible to participate in the Statewide Money Purchase Plan.

In 2003, legislation was enacted that allows departments who cover their firefighters and police officers in money purchase plans to elect coverage under the Plan. As of August 5, 2003, clerical and other personnel from fire districts whose services are auxiliary to fire protection may also participate in 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 Plan.

The Plan assets are in the Fire & Police Members' Benefit Investment Fund Long-Term Pool and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan (DROP) assets and Money Purchase Component assets). The Long-Term Pool is designed primarily for open plans with a longer time horizon, appropriate risk tolerance, and lower liquidity needs. The investment return assumption is 7.00 percent.

Members participating in DROP or in the Money Purchase Component choose among various investment options offered by an outside investment manager.

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

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

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 <http://www.FPPAco.org>.

Description of Benefits – The FPPA Board of Directors may change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The Normal Retirement Age should not be less than age 55 or more than age 60. Any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension. Members with combined age and years of service totaling 80 or more, with a minimum age of 50 also qualify for a normal retirement pension.

A member is eligible for retirement after attainment of age 55 with at least five years of credited service.

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.

The annual retirement benefit for the Defined Benefit Component is 2.0 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 of the average of the member's highest three years' base salary for each year of service thereafter.

Beginning January 1, 2007, the annual normal retirement benefit for the Social Security Component is 1.0 percent of the average of the member's highest three years base salary for each year of credited service up to then years plus 1.25 percent of the average of the member's highest three years' base salary for each year thereafter. Prior to 2007, the benefit for members of the Social Security Component will be reduced by the amount of social security income the member receives annually, calculated as if the social security benefit started as of age 62.

The annual retirement benefit of the Hybrid Defined Benefit Component is 1.9 percent of the average of the member's highest three years' base salary for each year of credited service through December 31, 2022 and 1.5 percent of the average of the member's highest three years' base salary for each year of credited service after January 1, 2023.

Benefits paid to retired members and beneficiaries may be increased annually on October 1 via cost of living adjustment (COLA). COLAs may be compounding or non-compounding. The increase in benefits, if any, is based on the FPPA Board of Director's discretion. Compounding COLAs can range from 0 percent to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers. Non-compounding COLAs take into consideration the investment returns, compounding COLAs and other economic factors. COLAs may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

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

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

Upon termination, the vested account balance within the Money Purchase Component becomes available to the member. Upon termination, a member may elect to have their member contributions, along with 5.0 percent as interest, returned as a lump sum distribution in lieu of a retirement benefit.

A member may elect to participate in the DROP after reaching eligibility for Normal Retirement, Early Retirement, or Vested Retirement and age 50. 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 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 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, 2023 was \$125,956,486. This amount was not included in the Plan Net Position.

Contributions – Contribution rates for the Plan are set by state statute. The FPPA Board of Directors may further increase the required contributions, equally between employer and member, upon approval through an election of both employers and members.

Members of the Defined Benefit Component contribute 12.0 percent of base salary. In 2020, legislation was enacted to increase the employer contributions rate to the Plan beginning in 2021. Employer contribution rates will increase 0.5 percent annually through 2030 to a total of 13.0 percent of base salary. These increases result in a combined contribution rate of 25.0 percent of base salary in 2030. In 2023, the total combined member and employer contribution rate was 21.5 percent.

Contributions from Defined Benefit Component members and employers of plans reentering the Defined Benefit Component are established by resolution and approved by the FPPA Board of Directors. The continuing rate of contribution for reentry groups is determined for each reentry group. The additional contribution amount is determined locally and may be paid by the member, the employer or split 50/50. Per the 2020 legislation, the required employer contribution rate for reentry departments also increases 0.5 percent annually. These increases result in a minimum combined contribution rate of 25.2 percent in 2030.

In 2023, the total minimum required member and employer contribution rate was 21.7 percent. Members of the Social Security Component contribute 6.0 percent of base salary. Per the 2020 legislation, employer contribution rates will increase 0.25 percent annually through 2030 to a total of 6.5 percent of base salary. These increases result in a combined contribution rate of 12.5 percent of base salary in 2030. In 2023, the total combined member and employer contribution rate was 10.75 percent.

The Hybrid Defined Benefit Component and Money Purchase Component members and their employers are currently each contributing at the rate determined by the individual employer. Effective January 1, 2023, the employer and member minimum contribution rates will increase by 0.125 percent annually until they reach a minimum rate of 9 percent each and at least a combined rate of 18 percent in 2030. In 2023, the total minimum combined member and employer contribution rate was 16.25 percent.

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

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

The Hybrid Defined Benefit Component sets contribution rates at a level that enables the defined benefits to be fully funded at the member's retirement date. The amount allocated to the Hybrid Defined Benefit Component is set annually by the FPPA Board of Directors. The Hybrid Defined Benefit Component contribution rate from July 1, 2023 through June 30, 2024 is 14.24 percent.

The Hybrid Defined Benefit Component contribution rate from January 1, 2023 through June 30, 2023 was 13.90 percent. Contributions in excess of those necessary to fund the defined benefit are allocated to the member's self-directed account in the Money Purchase Component.

A member of the Plan may elect to make voluntary after-tax contributions to the Money Purchase Component of the Plan. Additional voluntary contributions from the employer are made on a pre-tax basis. Within the Money Purchase Component, members are always fully vested in their own contributions, as well as the earnings on those contributions. Vesting in the employer's contributions within the Money Purchase Component, and earnings on those contributions occurs according to the vesting schedule set by the plan document at 20 percent per year after the first year of service and to be 100 percent vested after five years of service or the attainment of age 55. Employer and member contributions are invested in funds at the discretion of members. A member of the Plan may elect to make voluntary after-tax contributions to the Money Purchase Component of the Plan. Additional voluntary contributions from the employer are made on a pre-tax

Pension expense for the District was \$125,198 for the year ended December 31, 2024.

Net Pension (Liability) - At December 31, 2024, the District had no net pension asset or liability.

At December 31, 2024, 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	\$ 420,103	\$ 20,185
Changes in Assumptions	243,676	-
Net Difference Between Actual and Projected Earnings on Pension Plan Investments	301,596	-
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions		223,846
District Contributions Subsequent to Measurement Date	254,745	-
Totals	<u>\$ 1,220,120</u>	<u>\$ 244,031</u>

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

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

The \$254,745 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, 2025. 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
2025	\$ 130,337
2026	208,474
2027	310,111
2028	9,773
2029	19,486
Thereafter	43,163
	\$ 721,344

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, 2024. The valuation used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 1, 2024	January 1, 2023
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, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, and then projected using the ultimate values of the MP-2020 projection scale for all years. The pre-retirement mortality assumption uses Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, and then projected with the MP-2020 Ultimate projection scale. The pre-retirement non-duty mortality tables are adjusted to 60% multiplier. The on-duty mortality rate is 0.00015.

For determining the actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale.

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

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

Actuarial Assumptions –

The pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015

At least every five years the FPPA’s Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2022 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA’s actuaries, Gabriel, Roeder, Smith & Company, based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2023. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

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

Best estimates of arithmetic real rates of return for each major asset class included in the Fund’s target asset allocation as of December 31, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	35%	8.33%
Equity Long/Short	6%	7.27%
Private Markets	34%	10.31%
Fixed Income - Rates	10%	5.35%
Fixed Income - Credit	5%	5.89%
Absolute Return	9%	6.39%
Cash	1%	4.32%
Total	100%	

Discount Rate - The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board’s funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the Statewide Retirement 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 6 – FIRE & POLICE STATEWIDE DEFINED BENEFIT PLAN – Continued

As of the measurement period ending December 31, 2023, the COLA assumption, which was previously 0.00%, was revised to reflect the true nature of Board’s Benefits Policy which includes a variable COLA and supplemental payments.

Consistent with Board’s policy, the new COLA assumption will fluctuate from year to year depending on plan experience and is the long-term COLA assumption which results in no Net Pension Asset. If current assets do not support Total Pension Liabilities using a COLA assumption of greater than 0.00%, then a COLA assumption of 0.00% will be used and a Net Pension Liability will be reported.

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 3.77 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 7.00 percent.

Regarding the sensitivity of the net pension liability/(asset) to changes in the single discount rate, the following presents the plan’s net pension liability/(asset), calculated using a single discount rate of 7.00 percent, as well as what the plan’s net pension liability/(asset) would be if it were calculated using a single discount rate that is one percent lower or one percent higher:

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Net Pension Liability/(Asset)	\$ 1,236,940	\$ -	\$ -

The net pension liability of \$0 reflects a reserve for cost of living adjustments and to manage adverse experience of \$43,309 at a 7.00 percent discount rate and \$1,103,758 at a 8.00 percent discount rate.

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.

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

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, 2024, employer and employee contributions was \$25,740.

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 8 – 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 270 participating employer departments. Included in that number are 7 contributing employers as of December 31, 2022, 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 7.0%.

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.

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

NOTE 8 – STATEWIDE DEATH AND DISABILITY PLAN - Continued

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. During 2022, C.R.S. 31-31-811 was amended to provide additional payments from the State to the Plan on July 1, 2022 and July 1, 2023 of \$6,650,000 each.

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. Effective January 1, 2022, the contribution rate increased to 3.2 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.

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.

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

NOTE 8 – STATEWIDE DEATH AND DISABILITY PLAN - Continued

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.

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 cost of living 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 cost of living adjustment may begin after receiving benefits for at least 12 calendar months prior to October 1.

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.

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

NOTE 9 – TAX, SPENDING, REVENUE, AND DEBT LIMITATIONS - Continued

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 \$239,000 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.

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 – 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
(UNAUDITED)***

**CIMARRON HILLS FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCE,
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
General Property Tax	\$ 4,050,027	\$ 4,050,027	\$ 4,534,504	\$ 484,477
Specific Ownership Tax	235,000	235,000	376,593	141,593
Fire and Emergency Medical Services	10,000	10,000	19,048	9,048
Wildland Disaster Billing	600,000	600,000	1,450,598	850,598
Ambulance Billing	336,000	471,000	762,605	291,605
Grants	-	-	5,176	5,176
Miscellaneous	-	-	1,183	1,183
Investment Earnings	132,000	132,000	245,484	113,484
Total Revenues	<u>5,363,027</u>	<u>5,498,027</u>	<u>7,395,191</u>	<u>1,897,164</u>
Expenditures				
Operations	4,856,384	4,951,384	4,819,479	131,905
Maintenance	95,200	107,200	91,044	16,156
Administrative	178,281	206,781	197,848	8,933
Training and Association Prevention, Safety, and Community Services	121,070	121,070	84,568	36,502
	20,850	20,850	12,678	8,172
Capital Outlay	320,010	1,110,010	2,754,670	(1,644,660)
Total Expenditures	<u>5,591,795</u>	<u>6,517,295</u>	<u>7,960,287</u>	<u>(1,442,992)</u>
Other Financing Sources				
Proceeds from Issuance of Lease Purchase Agreement	-	-	1,744,016	1,744,016
Net Change in Fund Balance	(228,768)	(1,019,268)	1,178,920	2,198,188
Beginning Fund Balance, January 1	<u>3,647,912</u>	<u>3,647,912</u>	<u>4,199,550</u>	<u>551,638</u>
Ending Fund Balance, December 31	<u>\$ 3,419,144</u>	<u>\$ 2,628,644</u>	<u>\$ 5,378,470</u>	<u>\$ 2,749,826</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 AND FOR THE YEAR ENDED DECEMBER 31, (UNAUDITED)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Pension Liability/(Asset)	0.22%	0.21%	0.18%	0.14%	0.11%	0.11%	0.12%	0.14%	0.15%	0.15%
District's Proportionate Share of the Net Pension Liability/(Asset)	\$ -	\$ 184,501	\$ (984,110)	\$ (311,984)	\$ (64,072)	\$ 142,393	\$ (173,760)	\$ 51,767	\$ (2,656)	\$ (168,362)
District's Covered Payroll	\$ 2,548,000	\$ 1,808,000	\$ 1,462,000	\$ 1,154,000	\$ 835,000	\$ 754,000	\$ 706,000	\$ 733,000	\$ 730,000	\$ 653,000
District's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	0.00%	10.20%	-67.31%	-27.04%	-7.67%	18.89%	-24.61%	7.06%	-0.36%	-25.78%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/(Asset)	100.00%	97.60%	116.20%	106.70%	101.90%	95.20%	106.30%	98.21%	100.10%	106.80%

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, (UNAUDITED)**

	Statutorily Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as a % of Covered Payroll
2023	\$ 254,775	\$ 254,775	\$ -	\$ 2,548,000	10.00%
2022	\$ 205,882	\$ 205,882	\$ -	\$ 2,167,000	9.50%
2021	\$ 162,761	\$ 162,761	\$ -	\$ 1,808,000	9.00%
2020	\$ 124,258	\$ 124,258	\$ -	\$ 1,462,000	8.50%
2019	\$ 92,340	\$ 92,340	\$ -	\$ 1,154,000	8.00%
2018	\$ 66,798	\$ 66,798	\$ -	\$ 835,000	8.00%
2017	\$ 60,356	\$ 60,356	\$ -	\$ 754,000	8.00%
2016	\$ 56,518	\$ 56,518	\$ -	\$ 706,000	8.00%
2015	\$ 58,656	\$ 58,656	\$ -	\$ 733,000	8.00%
2014	\$ 58,430	\$ 58,430	\$ -	\$ 730,000	8.00%

See Independent Auditors' Report and Notes to Required Supplementary Information

***NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)***

**CIMARRON HILLS FIRE PROTECTION DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

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.

The District is required to comply with the Colorado Local Budget Law, which stipulates that expenditures should not exceed the amounts appropriated in the approved budget. For the fiscal year ended December 31, 2024, the District exceeded the appropriated budget by \$1,442,992 due to additional capital outlay purchases of land and a fire station in December, resulting in a violation of the local budget law.

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, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Administrative				
Audit and Consulting	\$ 15,975	\$ 15,975	\$ 15,400	\$ 575
Awards, Incentives, and Events	15,300	15,300	11,466	3,834
Bank Service Charges	-	-	355	(355)
Payroll Service Charges	6,460	6,460	6,356	104
County Treasurer Fees	60,750	69,250	68,018	1,232
Data Automation Support	29,950	29,950	31,164	(1,214)
Election	-	20,000	9,099	10,901
Legal Fees and Notices	20,000	20,000	20,017	(17)
Office Supplies and Equipment	9,846	9,846	8,278	1,568
Tax Refunds	20,000	20,000	18,680	1,320
Miscellaneous	-	-	9,015	(9,015)
Total Administrative	\$ 178,281	\$ 206,781	\$ 197,848	\$ 8,933
Operations				
Utilities	\$ 25,800	\$ 25,800	\$ 22,503	\$ 3,297
Fire Rescue Operations	18,700	18,700	9,609	9,091
Wildland Fire Operations	131,500	226,500	224,959	1,541
Insurance	29,400	29,400	27,365	2,035
EMS/Medical Operations	52,500	52,500	95,475	(42,975)
Protective and Personal Equipment (PPE)				
Operations	28,300	28,300	20,033	8,267
Structures, Roads, and Grounds Operations	18,500	18,500	14,109	4,391
Communications Operations	38,143	38,143	40,609	(2,466)
Vehicle and Apparatus Fuel	35,000	35,000	24,150	10,850
Salary	3,519,008	3,519,008	3,407,271	111,737
Benefits	806,870	806,870	809,698	(2,828)
Unemployment Insurance	250	250	-	250
Workers Compensation Insurance	89,863	89,863	72,177	17,686
Health and Wellness Program	30,300	30,300	27,539	2,761
Director Stipend	12,000	12,000	8,900	3,100
Uniforms	20,250	20,250	15,082	5,168
Total Operations	\$ 4,856,384	\$ 4,951,384	\$ 4,819,479	\$ 131,905

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, 2024**

Continued from Previous Page

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable
				(Unfavorable)
Maintenance				
Structures, Roads, and Ground Maintenance	\$ 18,900	\$ 18,900	\$ 8,758	\$ 10,142
Vehicle and Apparatus Maintenance	76,300	88,300	82,286	6,014
Total Maintenance	\$ 95,200	\$ 107,200	\$ 91,044	\$ 16,156
Training and Associations				
Fire Training	\$ 114,000	\$ 114,000	\$ 80,515	\$ 33,485
Recruiting, Testing, and Hiring	2,760	2,760	320	2,440
Association Fee and Dues	4,310	4,310	3,733	577
Total Training and Associations	\$ 121,070	\$ 121,070	\$ 84,568	\$ 36,502
Prevention, Safety, and Community Service				
Plans, Permits, & Code Inspections	1,000	1,000	-	1,000
Fire Investigations	1,000	1,000	-	1,000
Fire Prevention Education	8,500	8,500	5,187	3,313
Community Outreach	10,350	10,350	7,491	2,859
Total Prevention, Safety, and Community Service	\$ 20,850	\$ 20,850	\$ 12,678	\$ 8,172
Capital Outlay				
Structures, Roads, and Grounds	\$ 41,900	\$ 831,900	\$ 2,606,969	\$ (1,775,069)
General Operations	10,000	10,000	-	10,000
Communications Operations	6,000	6,000	5,817	183
Vehicles and Apparatus	17,000	17,000	1,067	15,933
Protective and Personal Equipment	37,110	37,110	30,206	6,904
Wildland/Disaster Operations	199,000	199,000	101,911	97,089
EMS Operations	9,000	9,000	8,700	300
Total Capital Outlay	\$ 320,010	\$ 1,110,010	\$ 2,754,670	\$ (1,644,660)

See Independent Auditors' Report

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

<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>	
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 %
2023	\$ 205,459,730	16.621	\$ 3,414,946	\$ 3,409,812	99.85 %
2024	\$ 243,669,250	16.621	\$ 4,050,027	\$ 4,534,505	111.96 %

Property taxes levied for the year ending December 31:

2025	\$ 245,164,490	16.621	\$ 4,074,879
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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.