

**COLORADO SPECIAL DISTRICTS
PROPERTY AND LIABILITY POOL**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2024 AND 2023



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**COLORADO SPECIAL DISTRICTS PROPERTY AND LIABILITY POOL
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

INDEPENDENT AUDITORS' REPORT	1
STATUTORY FINANCIAL STATEMENTS	
STATUTORY STATEMENTS OF ADMITTED ASSETS, LIABILITIES, AND SURPLUS	4
STATUTORY STATEMENTS OF INCOME AND CHANGES IN SURPLUS	5
STATUTORY STATEMENTS OF CASH FLOWS	6
NOTES TO STATUTORY FINANCIAL STATEMENTS	7
SUPPLEMENTARY INFORMATION	
RECONCILIATION OF LOSS LIABILITIES BY TYPE OF CONTRACT	17
LOSS DEVELOPMENT INFORMATION	19
APPENDIX A-001 – INVESTMENTS	20



INDEPENDENT AUDITORS' REPORT

Board of Directors
Colorado Special Districts Property and Liability Pool
Denver, Colorado

Report on the Audit of the Statutory Financial Statements

Opinions

We have audited the accompanying statutory financial statements of Colorado Special Districts Property and Liability Pool, which comprise the statutory statements of admitted assets, liabilities, and surplus as of December 31, 2024 and 2023, and the related statutory statements of income and changes in surplus, and cash flows for the years then ended, and the related notes to the statutory financial statements.

Unmodified Opinion on Statutory Basis of Accounting

In our opinion, the statutory financial statements referred to in the first paragraph present fairly, in all material respects, the admitted assets, liabilities, and surplus of Colorado Special Districts Property and Liability Pool as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended, on the basis of the financial reporting provisions of the Division of Insurance of the Department of Regulatory Agencies of the state of Colorado as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraph, the statutory financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Colorado Special Districts Property and Liability Pool as of December 31, 2024 and 2023, or the results of its operations or its cash flows for the years then ended.

Basis for Opinions

We conducted our audits 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 Statutory Financial Statements section of our report. We are required to be independent of Colorado Special Districts Property and Liability Pool and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified audit opinion on the statutory basis of accounting and our adverse opinion on accounting principles generally accepted in the United States of America.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the statutory financial statements are prepared by Colorado Special Districts Property and Liability Pool on the basis of the financial reporting provisions of the Division of Insurance of the Department of Regulatory Agencies of the state of Colorado, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Division of Insurance of the Department of Regulatory Agencies of the state of Colorado. The effects on the statutory financial statements of the variances between the statutory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Statutory Financial Statements

Management is responsible for the preparation and fair presentation of the statutory financial statements in accordance with the financial reporting provisions prescribed or permitted by the Department of Regulatory Agencies of the state of Colorado, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of statutory financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Statutory Financial Statements

Our objectives are to obtain reasonable assurance about whether the statutory financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 statutory financial statements.

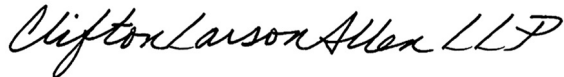
In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the statutory 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 statutory 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 Colorado Special Districts Property and Liability Pool'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 statutory financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Colorado Special Districts Property and Liability Pool'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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the statutory financial statements as a whole. The accompanying supplementary schedules of Reconciliation of Loss Liabilities by Type of Contract, Loss Development Information, and Appendix A-001 – Investments are presented for purposes of additional analysis and are not a required part of the statutory 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 statutory financial statements. The information has been subjected to the auditing procedures applied in the audit of the statutory financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the statutory financial statements or to the statutory financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the statutory financial statements as a whole.



CliftonLarsonAllen LLP

Greenwood Village, Colorado
March 21, 2025

**COLORADO SPECIAL DISTRICTS PROPERTY AND LIABILITY POOL
STATUTORY STATEMENTS OF ADMITTED ASSETS, LIABILITIES, AND SURPLUS
DECEMBER 31, 2024 AND 2023**

	2024	2023
ASSETS		
ADMITTED ASSETS		
Cash and Cash Equivalents	\$ 23,175,349	\$ 25,259,783
Investments	59,893,676	52,623,619
Deposit	164,434	147,716
Accrued Interest Receivable	448,868	260,525
Contributions Receivable	2,169	27,270
Deductibles Receivable	520,499	419,769
Reinsurance Receivables	1,043,397	1,064,482
Other Assets	1,399,647	1,340,634
	\$ 86,648,039	\$ 81,143,798
LIABILITIES AND SURPLUS		
LIABILITIES		
Loss and Loss Adjustment Expense Reserve	\$ 30,717,000	\$ 30,793,000
Unallocated Loss Adjustment Expense Reserve	1,228,700	1,231,600
Unearned Contributions	25,506,316	26,427,071
Other Liabilities	294,869	218,397
Total Liabilities	57,746,885	58,670,068
SURPLUS		
Unassigned Surplus	28,901,154	22,473,730
Total Surplus	28,901,154	22,473,730
Total Liabilities and Surplus	\$ 86,648,039	\$ 81,143,798

See accompanying Notes to Statutory Financial Statements.

**COLORADO SPECIAL DISTRICTS PROPERTY AND LIABILITY POOL
STATUTORY STATEMENTS OF INCOME AND CHANGES IN SURPLUS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

	2024	2023
REVENUE		
Gross Contributions Written	\$ 48,855,275	\$ 43,353,964
Ceded Contributions/Reinsurance Paid	17,143,908	14,177,691
Net Earned Contributions	31,711,367	29,176,273
Ceding Commissions	224,998	212,969
Other Income	309,167	204,609
Total Revenue	32,245,532	29,593,851
 UNDERWRITING EXPENSES		
Losses and Loss Adjustment Expenses	16,484,893	19,225,369
Unallocated Loss Adjustment Expenses	1,653,153	1,516,783
Total	18,138,046	20,742,152
Other Underwriting Expenses	12,098,630	10,674,325
Total Underwriting Expenses	30,236,676	31,416,477
 UNDERWRITING INCOME (LOSS)	2,008,856	(1,822,626)
 INVESTMENT INCOME	2,533,713	1,695,393
 NET INCOME (LOSS)	4,542,569	(127,233)
 CHANGE IN NONADMITTED ASSETS	1,884,855	(1,281,510)
Unassigned Surplus - Beginning of Year	22,473,730	23,882,473
 UNASSIGNED SURPLUS - END OF YEAR	\$ 28,901,154	\$ 22,473,730

See accompanying Notes to Statutory Financial Statements.

**COLORADO SPECIAL DISTRICTS PROPERTY AND LIABILITY POOL
STATUTORY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Contributions Collected from Participants	\$ 48,268,788	\$ 54,361,336
Ceded Premiums Paid to Reinsurers	(17,143,908)	(14,177,691)
Loss and Loss Adjustment Expenses Paid	(22,463,366)	(27,643,750)
Loss and Loss Adjustment Expenses Recovered from Reinsurers (Paid)	4,191,775	9,769,695
Ceded Commission Received	224,998	212,969
Underwriting Expenses Paid	(10,238,034)	(11,842,028)
Interest Received	2,139,945	1,252,108
Net Cash Provided by Operating Activities	4,980,198	11,932,639
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments Purchased	(24,064,632)	(29,614,515)
Investments Sold or Matured	17,000,000	18,000,000
Net Cash Used by Investing Activities	(7,064,632)	(11,614,515)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(2,084,434)	318,124
Cash and Cash Equivalents - Beginning of Year	25,259,783	24,941,659
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 23,175,349	\$ 25,259,783

See accompanying Notes to Statutory Financial Statements.

**COLORADO SPECIAL DISTRICTS PROPERTY AND LIABILITY POOL
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Colorado Special Districts Property and Liability Pool (the Pool) is sponsored by the Special District Association of Colorado and provides insurance coverage to participating Special Districts throughout the state of Colorado. The Pool provides property, terrorism, general liability, automobile physical damage and liability, public officials liability, equipment breakdown, identity recovery, pollution liability, employee dishonesty and crime, and workers' compensation coverages to its members. At December 31, 2024, there were 2,229 special districts who were members of the Pool for property and liability coverage and 1,318 special districts who were members of the Pool for workers' compensation coverage.

Basis of Presentation

The accompanying financial statements have been prepared on the basis of accounting practices prescribed or permitted by the Division of Insurance of the Department of Regulatory Agencies of the state of Colorado. Such practices vary in certain respects from accounting principles generally accepted in the United States of America. The more significant variances include accounting for salvage recoveries on a cash basis rather than an accrual basis, investments are carried at amortized cost instead of fair value, and certain assets designated as "nonadmitted assets" (principally contributions receivable over 90 days old, prepaid expenses, and capital assets) being charged against surplus for statutory accounting purposes.

Cash Equivalents

For purposes of the statements of cash flows, the Pool considers cash deposits and highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments

Investments are carried at amortized cost.

Loss and Loss Adjustment Expense Reserves

The reserves for losses and loss adjustment expenses (both allocated and unallocated) include estimates of the ultimate net cost of all losses, which are incurred but unpaid, as well as a provision for incurred but not reported losses, as of December 31, 2024 and 2023.

The reserves for losses and loss adjustment expenses are determined using individual case evaluations and independent actuarial projections. These estimates are continually reviewed and, as adjustments become necessary, such adjustments are reflected in current operations.

Since reserves are based on estimates, the ultimate settlement of claims may vary from the amounts included in the statutory financial statements. Although it is not possible to measure the degree of variability inherent in such estimates, management believes that the reserves for loss and loss adjustment expenses are reasonable.

**COLORADO SPECIAL DISTRICTS PROPERTY AND LIABILITY POOL
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recognition of Contributions Revenue

Contributions are net of reinsurance paid and ceded and are recognized as earned on a daily pro rata basis in proportion to the period of coverage provided.

Income Taxes

The Pool provides an essential governmental function to its members as described in Section 115 of the Internal Revenue Code (IRC) and is considered to be exempt from federal income taxes pursuant to the IRC.

Capitalized Assets

Assets costing more than \$5,000 are capitalized and depreciated using the sum-of-the-years depreciation method over the estimated useful life of the asset. Such assets are considered nonadmitted assets.

Estimated useful lives are as follows:

Vehicles	5 Years
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Total depreciation expense for the years ended December 31, 2024 and 2023 was \$12,042 and \$28,214, respectively.

Member Contributions

Any excess unassigned surplus which the Pool determines is not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

In the event aggregated losses incurred by the Pool exceed amounts recoverable from the reinsurance contracts and surplus accumulated by the Pool, the Pool may require additional contributions from the Pool members.

Subrogation

Generally, the Pool accounts for subrogation on a cash basis. However, for certain larger losses that arise periodically where subrogation is expected to be more significant, the Pool will accrue for estimated subrogation using a conservative probability of recovery method. Subrogation receivable related to such losses was \$1,285,000 and \$1,310,000 at December 31, 2024 and 2023, respectively. This amount is included in other assets.

**COLORADO SPECIAL DISTRICTS PROPERTY AND LIABILITY POOL
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 2 CASH AND INVESTMENTS

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government and entities such as the Pool 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 determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to the aggregate uninsured deposits.

The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, the Pool's cash deposits had a bank balance and a carrying balance as follows:

	2024		2023	
	Carrying Balance	Bank Balance	Carrying Balance	Bank Balance
Insured Deposits	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Deposits Collateralized in Single Institution Pools	12,020,464	13,676,218	10,064,735	13,193,381
Total	<u>\$ 12,270,464</u>	<u>\$ 13,926,218</u>	<u>\$ 10,314,735</u>	<u>\$ 13,443,381</u>

Investments

The Pool's investment policy specifies investment instruments meeting defined criteria in which the Pool may invest, which include:

- Obligations of the United States and certain U.S. government agency securities
- Certain corporate debt
- Government sponsored enterprises debt
- Certain money market mutual funds
- Local government investment pools
- State and local government bond securities
- Certain repurchase agreements

**COLORADO SPECIAL DISTRICTS PROPERTY AND LIABILITY POOL
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

The Pool's investments at December 31, are summarized as follows:

	2024			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Government Agency Obligations	\$ 3,950,000	\$ -	\$ (158,637)	\$ 3,791,363
U.S. Treasury Securities	52,071,647	211,723	(398,341)	51,885,029
Corporate Notes	3,872,029	-	(7,189)	3,864,840
Total	<u>\$ 59,893,676</u>	<u>\$ 211,723</u>	<u>\$ (564,167)</u>	<u>\$ 59,541,232</u>

	2023			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Government Agency Obligations	\$ 8,950,000	\$ -	\$ (446,766)	\$ 8,503,234
U.S. Treasury Securities	41,768,734	41,234	(491,936)	41,318,032
Corporate Notes	1,904,885	1,495	-	1,906,380
Total	<u>\$ 52,623,619</u>	<u>\$ 42,729</u>	<u>\$ (938,702)</u>	<u>\$ 51,727,646</u>

Fair values represent quoted market value prices traded in the public marketplace.

A summary of the amortized cost and fair value of the Pool's investments at December 31, by contractual maturity, is as follows:

	2024	
	Amortized Cost	Fair Value
Due in One Year or Less	\$ 17,946,769	\$ 17,926,520
Due After One Through Five Years	41,946,907	41,614,712
Total	<u>\$ 59,893,676</u>	<u>\$ 59,541,232</u>

	2023	
	Amortized Cost	Fair Value
Due in One Year or Less	\$ 16,988,890	\$ 16,586,000
Due After One Through Five Years	35,634,729	35,141,646
Total	<u>\$ 52,623,619</u>	<u>\$ 51,727,646</u>

**COLORADO SPECIAL DISTRICTS PROPERTY AND LIABILITY POOL
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Proceeds from the sales and maturities of debt securities during 2024 and 2023 were \$17,000,000 and \$18,000,000, respectively. Gross gains of \$-0- and \$20,555 respectively, were realized on those sales. Losses of \$-0- were realized on sales of debt securities during 2024 and 2023.

At December 31, the Pool had the following unrealized losses, which were not other than temporary:

Description of Securities	2024					
	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. Government Agency Obligations	\$ -	\$ -	\$ 3,791,364	\$ (158,637)	\$ 3,791,364	\$ (158,637)
U.S. Treasury Securities	25,684,845	(398,341)	26,200,183	-	51,885,028	(398,341)
Corporate Notes	3,684,840	(7,189)	-	-	3,684,840	(7,189)
Total	\$ 29,369,685	\$ (405,530)	\$ 29,991,547	\$ (158,637)	\$ 59,361,232	\$ (564,167)

Description of Securities	2023					
	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. Government Agency Obligations	\$ -	\$ -	\$ 8,503,234	\$ (446,766)	\$ 8,503,234	\$ (446,766)
U.S. Treasury Securities	37,381,960	(491,936)	3,936,072	-	41,318,032	(491,936)
Corporate Notes	1,906,380	-	-	-	1,906,380	-
Total	\$ 39,288,340	\$ (491,936)	\$ 12,439,306	\$ (446,766)	\$ 51,727,646	\$ (938,702)

As of December 31, 2024 and 2023, the Pool had invested \$3,114,602 and \$2,954,469, respectively, in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00.

At December 31, 2024 and 2023, \$500,000 of the investment in the Trust is held in a joint account with the Division of Insurance of the state of Colorado.

As of December 31, 2024 and 2023, the Pool had invested \$7,954,717 and \$12,138,295, respectively, in the Colorado Surplus Asset Fund Trust (CSAFE), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing CSAFE. CSAFE operates similarly to a money market fund and each share is equal in value to \$1.00.

**COLORADO SPECIAL DISTRICTS PROPERTY AND LIABILITY POOL
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Cash deposits and investments are reflected on the December 31, statutory statements of admitted assets, liabilities, and surplus as follows:

	2024	2023
Cash and Cash Equivalents	\$ 23,175,349	\$ 25,259,783
Investments	59,893,676	52,623,619
Total	\$ 83,069,025	\$ 77,883,402
Cash Deposits	\$ 12,270,464	\$ 10,314,735
Investments	70,798,561	67,568,667
Total	\$ 83,069,025	\$ 77,883,402

NOTE 3 REINSURANCE

The Pool has entered into reinsurance contracts that minimize its exposure to both large individual losses as well as a significant frequency of smaller losses.

A summary of the coverages in effect as of December 31, 2024, is as follows:

	Limit of Pool Retention per Occurrence	Limit of Total Coverage per Occurrence
Property (Wind and Hail Only)	\$ 1,000,000	\$ 350,000,000
Property (All Other Perils, Including Inland Marine)	300,000	350,000,000
Terrorism - Property Damage and Business Interruption	10,000	100,000,000
Terrorism - Liability	10,000	10,000,000
Liability	1,200,000	10,000,000
Automobile - Liability	1,200,000	10,000,000
Automobile - Physical Damage (Comprehensive Only)	300,000	350,000,000
Public Officials Liability - Employment Related	1,200,000	10,000,000
Public Officials Liability - Nonemployment Related	1,200,000	10,000,000
Equipment Breakdown	100,000	100,000,000
Identity Recovery	-	35,000
Pollution Liability	100,000	1,000,000
Employee Dishonesty and Crime	-	As Scheduled
Volunteer Accident	-	25,000
Cyber	200,000	800,000
Coverage A Workers' Compensation (Presumption Claims)	1,000,000	Statutory
Coverage A Workers' Compensation (Firefighters)	1,000,000	Statutory
Coverage A Workers' Compensation (All Other Classes of Employees)	1,000,000	Statutory
Coverage B Workers' Compensation (Presumption Claims)	1,000,000	2,000,000
Coverage B Workers' Compensation (Firefighters)	1,000,000	2,000,000
Coverage B Workers' Compensation (All Other Classes of Employees)	1,000,000	2,000,000

**COLORADO SPECIAL DISTRICTS PROPERTY AND LIABILITY POOL
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 3 REINSURANCE (CONTINUED)

Property and Automobile – Physical Damage

The Pool is self-insured for losses and loss adjustment expenses up to the greater of \$300,000 or the sum of the individual member's deductible for each occurrence. The Pool is self-insured for losses and loss adjustment expenses up to the greater of \$1,000,000 or the sum of the individual member's deductible for each occurrence as related to wind and hail damage. Property losses have a \$3,448,818 annual stop-loss aggregate limit. Wind and hail property losses have a \$9,763,731 annual stop-loss aggregate limit. Once the stop-loss aggregate limit is met, exclusive of auto physical damage losses, the Pool's self-insured retention declines to \$25,000 per occurrence.

Earthquake and flood losses, which exceed either the greater of \$300,000, or the sum of the individual member's deductible of 2% of total value of property damaged (subject to a minimum of \$5,000 and a maximum of \$50,000 per occurrence), per occurrence, are covered 100% under excess policies, with a limit per occurrence and annual aggregate of \$350,000,000, except a \$60,000,000 per occurrence and all member aggregate limit is applied to flood claims which occur within the Special Flood Zones A and V as defined by the Federal Emergency Management Agency. All claims are subject to a deductible based on the coverage selected by the member.

Terrorism, Sabotage, and Malicious Attack

The Pool is self-insured for property and business interruption losses and loss adjustment expenses up to \$10,000 for each occurrence subject to a limit of \$100,000,000 in the aggregate. The Pool is self-insured for liability losses and loss adjustment expenses up to \$10,000 per member, per claim, subject to a limit of \$10,000,000 per member, per claim. The reinsurance will also cover loss or damage to property and liability losses resulting from a malicious attack up to a limit of \$5,000,000 subject to a \$5,000 per occurrence deductible. The aggregate limit for all coverages combined is \$105,000,000. There is not an aggregate deductible.

Casualty – General Liability, Automobile Liability, Employment Practices Liability, and Public Officials' Liability

The deductible retained by the CSD Pool is \$1,200,000 per occurrence. Losses in excess of this retention are covered with a limit per occurrence of \$10,000,000 under three excess reinsurance layers. The first \$800,000 limit excess of the deductible and the second excess layer limit of \$3,000,000 excess of \$2,000,000 are reinsured with General Reinsurance Corporation. The third excess layer limit of \$5,000,000 excess of \$5,000,000 is reinsured with Hudson Excess Insurance Company. However, the limit as respects to bonds and/or securities is reinsured up to \$3,000,000 aggregate for all members.

Public Officials Liability – Employment Related

Employment related claims are covered the same as all other liability claims, with variable deductible arrangements on an individual district basis.

**COLORADO SPECIAL DISTRICTS PROPERTY AND LIABILITY POOL
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 3 REINSURANCE (CONTINUED)

Equipment Breakdowns

The Pool has entered into arrangements that provide facultative reinsurance coverage for equipment breakdown claims. The Pool retains the first \$100,000 per claim. Losses in excess of this retention are covered up to a limit of \$100,000,000 for any one accident and/or any one electronic circuitry impairment.

Identity Recovery

The Pool has entered into arrangements, which provide 100% facultative reinsurance coverage for identity recovery losses subject to an annual aggregate of \$35,000 per identity recovered.

Pollution Liability

The CSD Pool is subject to a self-insured retention of \$100,000 per pollution incident subject to a \$400,000 aggregate. Sewage back-up pollution claims are subject to a \$150,000 per pollution incident retention. Losses in excess of these retentions is covered, subject to policy terms, exclusions, and conditions, up to a \$1,000,000 each pollution incident limit and a \$5,000,000 aggregate. The exception is business interruption coverage which is subject to a three (3) day waiting period deductible up to \$250,000 for each pollution incident and annual aggregate limit.

Employee Dishonesty and Crime

The Pool has entered into arrangements, which provide 100% facultative reinsurance coverage for employee dishonesty and crime claims.

Volunteer Accident Policy

The Pool has entered into an arrangement for a volunteer accident policy that provides a \$25,000 accident medical expense benefit which is an annual limit per member, excess of any other primary health coverage.

Workers' Compensation

The reinsurance coverage limit is as defined in Colorado workers' compensation laws and \$2,000,000 per occurrence related to employer's liability claims in excess of the Pool's retention of \$1,000,000 per occurrence for presumption claim, \$1,000,000 per occurrence for firefighters, and \$1,000,000 per occurrence for all other classes of employee.

Cyber – Incident Response Cost, System Damage, and Income Loss

The deductible retained by the CSD Pool is \$200,000 per occurrence. Losses in excess of this retention are covered up to an excess limit of \$800,000 for each and every claim and annual aggregate. There are 41 Pool Members who qualified for the \$1,000,000 cyber limit and each was secured a policy to reinsure the excess limit.

**COLORADO SPECIAL DISTRICTS PROPERTY AND LIABILITY POOL
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 3 REINSURANCE (CONTINUED)

Other Reinsurance Issues

The reinsurance treaties may generally be terminated by either the Pool or the reinsurer on any January 1, with at least 90 days prior written notice. Upon termination, reinsurance coverage will remain in effect for all policies in force at the termination date until the cancellation, nonrenewal, or natural expiration date not to exceed 12 months.

Should the reinsurers be unable to meet their obligations under the reinsurance contracts, the Pool may remain responsible for liabilities ceded to reinsurers.

The Pool receives a 20% commission on the identity recovery and equipment breakdown contributions ceded to the reinsurers.

In the accompanying statutory financial statements, contributions earned, losses and loss adjustment expenses, and loss and loss adjustment expense reserves are presented net of reinsurance amounts ceded and contributions paid. Information with respect to reinsurance balances is as follows:

	2024	2023
Reinsurance Premiums Paid	\$ 17,143,908	\$ 14,177,691
Reinsurance Ceded:		
Loss and Loss Adjustment Expenses	31,029,391	13,586,669
Loss and Loss Adjustment Expense Reserves	11,468,784	14,207,308

NOTE 4 ADMINISTRATION

The Pool has an agreement with McGriff, a Marsh & McLennan Agency, LLC Company to operate, administer, and manage the Pool. Under this agreement, the management fee is 14.39% of the expiring year’s gross written contributions, which amounted to \$6,213,663 and \$5,378,621 for 2024 and 2023, respectively.

The Pool entered into an agreement with Sedgwick Claims Management Services, Inc. to administer claims processing. The claims processing fee paid for the years ended December 31, 2024 and 2023 amounted to \$1,631,052 and \$1,501,066, respectively. The gross fees paid for the year ended December 31, 2024 were \$1,718,484; however, the Pool received \$110,285 from Sedgwick to true up fiscal year 2024 claims administration fees, and paid Best Accounting \$8,000 for escheatment services, which is netted against the amount received.

The Pool has entered into an agreement with the Special District Association of Colorado to provide certain administrative services for the Pool. The fee for these services is computed at 1.5% of the gross annual contributions billed by the Pool for 2024 and 2023. The agreement may be terminated at any time by mutual agreement of both parties. Fees incurred for the years ended December 31, 2024 and 2023 amounted to \$729,782 and \$647,707, respectively.

**COLORADO SPECIAL DISTRICTS PROPERTY AND LIABILITY POOL
NOTES TO STATUTORY FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 5 UNPAID CLAIMS LIABILITIES

As discussed in Note 1, the Pool establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related loss adjustment expenses.

The following represents changes in those aggregate liabilities for the Pool during 2024 and 2023:

	2024	2023
Unpaid Losses and Loss Adjustment Expenses at Beginning of Year	\$ 32,024,600	\$ 29,553,700
Incurred Losses and Loss Adjustment Expenses:		
Provision for Insured Events of the Current Year	24,263,525	25,921,761
Net Cash Used by Financing Activities of Prior Years	(6,125,479)	(5,179,609)
Total Incurred Losses and Loss Adjustment Expenses	18,138,046	20,742,152
Payments:		
Losses and Loss Adjustment Expenses Attributable to Insured Events of the Current Year	9,980,648	10,009,669
Losses and Loss Adjustment Expenses Attributable to Insured Events of Prior Years	8,236,298	8,261,583
Total Payments	18,216,946	18,271,252
Total Unpaid Loss and Loss Adjustment Expenses at End of Year	\$ 31,945,700	\$ 32,024,600
Loss and Loss Adjustment Expense Reserves	\$ 30,717,000	\$ 30,793,000
Unallocated Loss Adjustment Expense Reserves	1,228,700	1,231,600
Total	\$ 31,945,700	\$ 32,024,600

As a result of changes in estimates of insured events in prior years, the provision for loss and loss adjustment expenses decreased by \$6,125,479 and \$5,179,609 during the years ended December 31, 2024 and 2023, respectively.

NOTE 6 SUBSEQUENT EVENTS

Management evaluated subsequent events through March 21, 2025, the date the statutory financial statements were available to be issued. Events or transactions occurring after December 31, 2024, but prior to March 21, 2025 that provided additional evidence about conditions that existed at December 31, 2024 have been recognized in the statutory financial statements for the year ended December 31, 2024. Events or transactions that provided evidence about conditions that did not exist at December 31, 2024, but arose before the statutory financial statements were available to be issued, have not been recognized in the statutory financial statements for the year ended December 31, 2024.

**COLORADO SPECIAL DISTRICTS PROPERTY AND LIABILITY POOL
RECONCILIATION OF LOSS LIABILITIES BY TYPE OF CONTRACT
YEARS ENDED DECEMBER 31, 2024 AND 2023**

	Property and Equipment		General Liability		Public Officials Liability		Automobile - Physical Damage	
	2024	2023	2024	2023	2024	2023	2024	2023
Unpaid Losses and Loss Adjustment Expenses at Beginning of Year	\$ 3,192,800	\$ 2,095,600	\$ 2,190,200	\$ 1,771,100	\$ 3,377,900	\$ 2,685,300	\$ 396,200	\$ 597,000
Incurred Losses and Loss Adjustment Expenses:								
Provision for Insured Events of the Current Year	5,555,927	7,343,801	2,220,236	2,493,820	2,232,716	2,428,234	2,138,442	1,243,498
Increase (Decrease) in Provision for Insured Events of Prior Years	(1,846,809)	(369,143)	(477,406)	(950,481)	(7,019)	(607,811)	(44,558)	(135,677)
Total Incurred Losses and Loss Adjustment Expenses	3,709,118	6,974,658	1,742,830	1,543,339	2,225,697	1,820,423	2,093,884	1,107,821
Payments (Subrogation Received):								
Losses and Loss Adjustment Expenses Attributable to Insured Events of the Current Year	3,421,495	4,365,797	1,008,677	1,001,299	274,235	497,387	1,524,843	918,209
Losses and Loss Adjustment Expenses Attributable to Insured Events of Prior Years	942,823	1,511,661	755,953	122,940	725,262	630,436	89,541	390,412
Total Payments	4,364,318	5,877,458	1,764,630	1,124,239	999,497	1,127,823	1,614,384	1,308,621
Total Unpaid Losses and Loss Adjustment Expenses at End of Year	\$ 2,537,600	\$ 3,192,800	\$ 2,168,400	\$ 2,190,200	\$ 4,604,100	\$ 3,377,900	\$ 875,700	\$ 396,200
Loss and Loss Adjustment Expense Reserves	\$ 2,440,000	\$ 3,070,000	\$ 2,085,000	\$ 2,106,000	\$ 4,427,000	\$ 3,248,000	\$ 842,000	\$ 381,000
Unallocated Loss Adjustment Expense Reserves	97,600	122,800	83,400	84,200	177,100	129,900	33,700	15,200
Total	\$ 2,537,600	\$ 3,192,800	\$ 2,168,400	\$ 2,190,200	\$ 4,604,100	\$ 3,377,900	\$ 875,700	\$ 396,200

**COLORADO SPECIAL DISTRICTS PROPERTY AND LIABILITY POOL
RECONCILIATION OF LOSS LIABILITIES BY TYPE OF CONTRACT (CONTINUED)
YEARS ENDED DECEMBER 31, 2024 AND 2023**

	Automobile - Liability		Workers Compensation		Total	
	2024	2023	2024	2023	2024	2023
Unpaid Losses and Loss Adjustment Expenses at Beginning of Year	\$ 1,006,700	\$ 989,000	\$ 21,860,800	\$ 21,415,700	\$ 32,024,600	\$ 29,553,700
Incurring Losses and Loss Adjustment Expenses:						
Provision for Insured Events of the Current Year	413,894	486,087	11,702,310	11,926,321	24,263,525	25,921,761
Increase (Decrease) in Provision for Insured Events of Prior Years	(354,214)	(240,146)	(3,395,473)	(2,876,351)	(6,125,479)	(5,179,609)
Total Incurred Losses and Loss Adjustment Expenses	59,680	245,941	8,306,837	9,049,970	18,138,046	20,742,152
Payments (Subrogation Received):						
Losses and Loss Adjustment Expenses Attributable to Insured Events of the Current Year	186,323	173,168	3,565,075	3,053,809	9,980,648	10,009,669
Losses and Loss Adjustment Expenses Attributable to Insured Events of Prior Years	50,157	55,073	5,672,562	5,551,061	8,236,298	8,261,583
Total Payments	236,480	228,241	9,237,637	8,604,870	18,216,946	18,271,252
Total Unpaid Losses and Loss Adjustment Expenses at End of Year	\$ 829,900	\$ 1,006,700	\$ 20,930,000	\$ 21,860,800	\$ 31,945,700	\$ 32,024,600
Loss and Loss Adjustment Expense Reserves	\$ 798,000	\$ 968,000	\$ 20,125,000	\$ 21,020,000	\$ 30,717,000	\$ 30,793,000
Unallocated Loss Adjustment Expense Reserves	31,900	38,700	805,000	840,800	1,228,700	1,231,600
Total	\$ 829,900	\$ 1,006,700	\$ 20,930,000	\$ 21,860,800	\$ 31,945,700	\$ 32,024,600

**COLORADO SPECIAL DISTRICTS PROPERTY AND LIABILITY POOL
LOSS DEVELOPMENT INFORMATION**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
1) Net Earned Required Contributions, Investment Revenue, and Commissions	\$ 15,309,288	\$ 16,561,452	\$ 19,338,769	\$ 20,713,694	\$ 21,881,889	\$ 23,611,373	\$ 23,853,330	\$ 25,371,652	\$ 27,526,999	\$ 31,289,244	\$ 34,779,245
2) Unallocated Expenses	\$ 5,054,545	\$ 5,395,759	\$ 5,607,802	\$ 6,919,218	\$ 7,897,012	\$ 8,472,281	\$ 9,779,918	\$ 10,672,687	\$ 11,692,442	\$ 12,191,108	\$ 13,751,783
3) Estimated Incurred Losses and Expenses, End of Accident Year	\$ 11,015,741	\$ 9,890,526	\$ 9,714,919	\$ 12,451,527	\$ 15,963,083	\$ 18,919,013	\$ 16,421,944	\$ 16,307,769	\$ 17,710,641	\$ 23,864,680	\$ 22,090,752
4) Paid (Cumulative) as of											
End of Accident Year	\$ 4,004,741	\$ 2,628,526	\$ 3,007,919	\$ 4,096,527	\$ 5,295,083	\$ 6,863,013	\$ 5,409,944	\$ 3,877,769	\$ 5,095,641	\$ 8,227,910	\$ 8,364,752
One Year Later	6,173,169	4,888,603	5,354,688	6,837,534	10,560,068	10,729,543	9,974,201	8,945,708	10,120,076	12,728,688	
Two Years Later	7,190,216	5,965,367	6,785,819	8,439,089	12,098,645	12,378,065	11,535,820	10,321,659	11,807,742		
Three Years Later	7,896,757	6,486,507	7,414,752	9,286,154	12,673,909	13,134,782	12,462,792	11,141,729			
Four Years Later	8,306,803	6,630,807	7,960,261	9,655,886	13,064,731	13,011,566	12,965,123				
Five Years Later	8,582,718	6,901,084	7,994,224	9,852,451	13,237,442	13,173,746					
Six Years Later	8,778,473	7,064,841	7,998,742	9,957,268	13,305,589						
Seven Years Later	8,845,181	7,134,521	7,999,208	10,063,276							
Eight Years Later	8,894,118	7,177,735	7,999,208								
Nine Years Later	9,311,896	7,522,053									
Ten Years Later	9,315,907										
5) Reestimated Incurred Losses and Expenses											
End of Accident Year	\$ 11,015,741	\$ 9,890,526	\$ 9,714,919	\$ 12,451,527	\$ 15,963,083	\$ 18,919,013	\$ 16,421,944	\$ 16,307,769	\$ 17,710,641	\$ 23,527,910	\$ 22,090,752
One Year Later	10,157,169	8,775,603	9,758,688	12,133,534	16,064,068	17,934,543	15,805,201	15,147,708	15,932,076	20,000,688	
Two Years Later	9,918,216	7,848,367	8,808,819	10,926,089	14,986,645	16,621,065	14,601,820	13,318,659	15,001,742		
Three Years Later	9,419,757	7,791,507	8,194,752	10,802,154	14,520,909	15,178,782	14,992,792	12,817,729			
Four Years Later	9,538,803	7,432,807	8,375,261	10,619,886	14,275,731	14,349,566	14,539,123				
Five Years Later	9,754,718	7,968,084	8,202,224	10,302,451	13,664,442	14,314,746					
Six Years Later	9,493,473	8,030,841	8,117,742	10,441,268	13,654,589						
Seven Years Later	9,762,181	7,611,521	8,099,208	10,420,276							
Eight Years Later	9,724,118	7,759,735	8,078,208								
Nine Years Later	9,519,896	7,812,053									
Ten Years Later	9,567,907										
6) Increase (Decrease) in Estimated Incurred Losses and Expenses from End of Year [Line 5 Less Line 4]	\$ (1,447,834)	\$ (2,078,473)	\$ (1,636,711)	\$ (2,031,251)	\$ (2,308,494)	\$ (4,604,266)	\$ (1,882,821)	\$ (3,490,040)	\$ (2,708,899)	\$ (3,527,222)	\$ -
7) Net Loss and Loss Adjustment Expense Reserve [Line 5 Less Line 4]	\$ 252,000	\$ 290,000	\$ 79,000	\$ 357,000	\$ 349,000	\$ 1,141,000	\$ 1,574,000	\$ 1,676,000	\$ 3,194,000	\$ 7,272,000	\$ 13,726,000

**COLORADO SPECIAL DISTRICTS PROPERTY AND LIABILITY POOL
APPENDIX A-001 – INVESTMENTS
DECEMBER 31, 2024**

SECTION 2.

Investment Risks Interrogatories

1.	Total Admitted Assets		<u>\$ 86,648,039</u>
2.	Ten Largest Exposures		Percentage of Total Admitted Assets
	<u>Issuer</u>	<u>Description of Exposure</u>	<u>Amount</u>
			<u>Assets</u>
2.01	U.S. Treasury	U.S. Treasuries	\$ 2,081,114
2.02	U.S. Treasury	U.S. Treasuries	2,061,554
2.03	U.S. Treasury	U.S. Treasuries	2,023,974
2.04	U.S. Treasury	U.S. Treasuries	2,016,556
2.05	U.S. Treasury	U.S. Treasuries	2,013,913
2.06	U.S. Treasury	U.S. Treasuries	2,013,067
2.07	U.S. Treasury	U.S. Gov Agencies	2,011,075
2.08	U.S. Treasury	U.S. Gov Agencies	2,008,063
2.09	U.S. Treasury	U.S. Gov Agencies	2,007,736
2.10	U.S. Treasury	U.S. Treasuries	2,006,115
3.01		Bonds - NAIC - I	59,893,676
			69.12

NOTE:

All other line items contained in Appendix A-001, Section 2 are not applicable to the Colorado Special Districts Property and Liability Pool.

**COLORADO SPECIAL DISTRICTS PROPERTY AND LIABILITY POOL
APPENDIX A-001 – INVESTMENTS (CONTINUED)
DECEMBER 31, 2024**

SECTION 3.

Summary Investment Schedule

<u>Investment Categories</u>	<u>Gross Investment Holdings</u>		<u>Admitted Assets as Reported in the Annual Statement</u>	
1. Bonds				
1.1 U.S. Treasury Securities	\$ 52,071,647	62.68 %	\$ 52,071,647	62.68 %
1.2 U.S. Government Agency and Corporate Obligations				
1.22 Issued by U.S. Government Sponsored Agencies	3,950,000	4.76	3,950,000	4.76
1.5 Mortgage-Backed Securities				
1.51 Pass-Through Securities				
1.512 Issued or Guaranteed by FNMA and FHLMC	-	-	-	-
2. Other Debt and Other Fixed Income Securities (Excluding Short-Term)				
2.1 Unaffiliated Domestic Securities (Includes Credit Tenant Loans and Hybrid Securities)	3,872,029	4.66	3,872,029	4.66
10. Cash, Cash Equivalents, and Short-Term Investments	<u>23,175,349</u>	27.90	<u>23,175,349</u>	27.90
12. Total Invested Assets	<u><u>\$ 83,069,025</u></u>	100.00	<u><u>\$ 83,069,025</u></u>	100.00



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