

**CIMARRON HILLS FIRE PROTECTION DISTRICT**

FINANCIAL STATEMENTS  
With Independent Auditors' Report

Year Ended December 31, 2025

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
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DECEMBER 31, 2025**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Cimarron Hills Fire Protection District

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of the Cimarron Hills Fire Protection District, as of and for the year ended December 31, 2025 and the related notes to the financial statements, which collectively comprise the Cimarron Hills Fire Protection District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Cimarron Hills Fire Protection District, as of December 31, 2025 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Cimarron Hills Fire Protection 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.

#### ***Emphasis of Matter***

As discussed in Note 12 to the financial statements, Cimarron Hills Fire Protection District corrected an error from the prior period. Our opinion is not modified with respect to this matter.

#### ***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 Cimarron Hills Fire Protection 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.

### ***Auditor's 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 auditor's 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Cimarron Hills Fire Protection 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 Cimarron Hills Fire Protection 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 and required supplementary information as listed in the table of contents 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cimarron Hills Fire Protection District's basic financial statements. The accompanying Supplementary Information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Hoelting & Company Inc.*

Colorado Springs, Colorado  
May 6, 2026

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED DECEMBER 31, 2025**

The management of Cimarron Hills Fire Protection District (the District) offers readers of the District’s annual financial report this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2025. Readers are encouraged to consider the information presented here in conjunction with the annual financial report.

**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 \$10,235,974 (*net position*). Of this amount, \$11,464,670 (*unrestricted net position*) may be used to meet the District’s ongoing obligations to its citizens and creditors.
- The assets of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$10,859,373 which represents the ending fund balance.
- The ending fund balance increased by \$5,398,562 from the prior year. Approximately 78% of the total fund balance, \$8,438,721 is available for spending at the District’s discretion, as reflected in the unassigned fund balance.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis serves as an introduction to the District’s basic financial statements. The District’s basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic 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 include two statements:

The *statement of net position* presents information on all of the District’s assets and liabilities, and deferred inflows/outflows of resources, with the difference 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 reporting 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 result in cash flows in future fiscal periods. Accrued interest expense is an example of this type of item.

Both government-wide financial statements 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. Currently, the District has no business-type activities.

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED DECEMBER 31, 2025**

**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 one general fund and maintains no additional funds.

*Governmental Funds:* 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.

**Notes to the Basic 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's progress in funding its obligation to provide pension benefits to its employees. Also, the District adopts an annual appropriated budget for the general fund. A budgetary comparison schedule has been provided to demonstrate compliance with the budget.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. In the case of the District, total assets and deferred outflows exceeded liabilities and deferred inflows by \$10,235,974 as of December 31, 2025. 23% of the District's assets are its investment in capital assets.

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED DECEMBER 31, 2025**

**Condensed Statement of Net Position**

	<u>2025</u>	<u>2024</u>	<u>Change</u>
Current and other assets	\$ 15,788,231	\$ 9,676,044	\$ 6,112,187
Capital assets, net depreciation	<u>4,737,675</u>	<u>4,011,199</u>	<u>726,476</u>
Total assets	<u>20,525,906</u>	<u>13,687,243</u>	<u>6,838,663</u>
Deferred outflows of resources:			
Deferred pension outflows	<u>1,103,245</u>	<u>1,220,120</u>	<u>(116,875)</u>
Total deferred outflows of resources	<u>1,103,245</u>	<u>1,220,120</u>	<u>(116,875)</u>
Current liabilities	607,886	349,293	258,593
Long-term liabilities	<u>5,759,149</u>	<u>1,617,418</u>	<u>4,141,731</u>
Total liabilities	<u>6,367,035</u>	<u>1,966,711</u>	<u>4,400,324</u>
Deferred inflows of resources:			
Deferred pension inflows	263,927	244,031	19,896
Unavailable property tax revenue	<u>4,762,395</u>	<u>4,074,879</u>	<u>687,516</u>
Total deferred inflows of resources	<u>5,026,322</u>	<u>4,318,910</u>	<u>707,412</u>
Net position:			
Net investment in capital assets	(1,448,696)	2,267,183	(3,715,879)
Restricted	220,000	239,000	(19,000)
Unrestricted	<u>11,464,670</u>	<u>6,115,559</u>	<u>5,349,111</u>
Total net position	<u>\$ 10,235,974</u>	<u>\$ 8,621,742</u>	<u>\$ 1,614,232</u>

**Comments – Assets**

In 2025, the increase in current and other assets was due mainly to increases in cash and receivables. Receivables increased in Ambulance, Wildland Fire and Escrow Proceeds.

In 2025, the District purchased the following capital assets with capital/sustainment savings:

- Communication equipment
- EMS/Medical equipment
- Vehicles and apparatus

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

- 1015 Valley building upgrades

**Comments – Liabilities**

The District has long-term liabilities of \$5,759,149 from a 2025 lease purchase agreement with a 4.5% interest rate and 20 years of annual payments.

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED DECEMBER 31, 2025**

**Condensed Statement of Activities**

	<u>2025</u>	<u>2024</u>	<u>Change</u>
Revenues:			
Program revenues			
Charges for services	\$ 2,620,734	\$ 2,231,617	\$ 389,117
Grants and contributions	1,361	5,810	(4,449)
General revenues:			
Property taxes	4,088,585	4,534,504	(445,919)
Specific ownership tax	390,546	376,593	13,953
Investment earnings	222,381	1,183	221,198
Other income	<u>13,015</u>	<u>245,484</u>	<u>(232,469)</u>
Total revenues	<u>7,336,622</u>	<u>7,395,191</u>	<u>(443,237)</u>
Expenses:			
General and administrative	190,333	197,848	(7,515)
Fire and emergency medical services	5,508,943	5,231,579	277,364
Interest and fiscal charges	<u>105,455</u>	<u>-</u>	<u>105,455</u>
Total expenses	<u>5,804,731</u>	<u>5,429,427</u>	<u>375,304</u>
Change in net position	1,531,891	1,965,764	(433,873)
Net position – beginning, as restated	<u>8,704,083</u>	<u>6,655,978</u>	<u>2,048,105</u>
Net position - ending	<u>\$ 10,235,974</u>	<u>\$ 8,621,742</u>	<u>\$ 1,614,232</u>

**Comments – Expenses**

Expenses increased primarily due to increased fire and emergency medical services.

**Comments – Revenues**

Revenues decreased primarily due to decreased property tax revenues.

**ANALYSIS OF THE DISTRICT'S FUNDS**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The general fund is the operating fund of the District. The fund balance for the general fund was \$10,859,373 at the end of the current fiscal year. Of this amount, \$220,000 was restricted as a required reserve fund under requirements of the Colorado Taxpayer Bill of Rights (TABOR).

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED DECEMBER 31, 2025**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The District’s general fund budget is prepared in accordance with state law. No changes were made to the general fund budget during the year. As discussed in note 2 of the financial statements the District went over budget by \$826,394 due to the repayment of the 2024 Purchase Lease Agreement.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The District’s investment in capital assets for its governmental activities at the end of the year was as follows:

	<u>2025</u>	<u>2024</u>
Land	\$ 345,060	\$ 345,060
Construction in progress	2,860,947	-
Structures, road, and grounds	1,779,076	4,060,672
EMS/Medical equipment	220,829	133,697
Office and admin equipment	15,228	15,228
General equipment	196,629	196,629
Communications equipment	86,574	78,701
Vehicles and apparatus	1,645,387	1,405,971
Accumulated depreciation	<u>(2,412,055)</u>	<u>(2,224,759)</u>
Capital assets, net	<u>\$ 4,737,675</u>	<u>\$ 4,011,199</u>

**Long-term debt**

At the end of current fiscal year, the District had a \$6,186,371 lease liability.

	<u>2025</u>	<u>2024</u>
Lease liability	<u>\$ 6,186,371</u>	<u>\$ 1,744,016</u>

**BUDGETARY AND ECONOMIC FACTORS**

**Budgetary Highlights and Outlook-** There were no amendments to the 2025 budget during the year. Budgeted 2026 revenues are expected to increase from 2025 due to increased tax receipts, including a 1% sales tax passed by district electors in November 2025 which went into effect January 1, 2026. Certain expenditures for 2026 are expected to increase reflecting increases in salaries, capital outlays, and other costs of operations as the district opens and staffs a new Headquarters building/2<sup>nd</sup> station and replaces aging apparatus/equipment.

**Economic and Environmental Factors**

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

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED DECEMBER 31, 2025**

District will continue to monitor potential implications and adjust spending as necessary. However, it is anticipated that the 1% sales tax will cover these costs for the immediate future.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide the District's taxpayers with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact an official at the District's administration office, 1835 Tuskegee Pl., Colorado Springs, CO 80915.

## **BASIC FINANCIAL STATEMENTS**

**CIMARRON HILLS FIRE PROTECTION DISTRICT**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2025**

**ASSETS**

Cash and cash equivalents	\$ 5,445,542
Cash with County Treasurer	24,411
Property tax receivable	4,762,395
Accounts receivable	5,551,408
Prepaid items	4,475
Capital assets, not being depreciated	3,206,007
Capital assets, net of depreciation	1,531,668
	20,525,906
Total assets	20,525,906

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred pension outflows - Statewide Retirement Plan	1,103,425
	1,103,425

**LIABILITIES**

Accounts payable and other accrued liabilities	33,986
Accrued salaries and benefits	132,477
Accrued interest payable	14,201
Long-term liabilities:	
Due within one year	427,222
Due in more than one year	5,759,149
	6,367,035
Total liabilities	6,367,035

**DEFERRED INFLOWS OF RESOURCES**

Deferred pension inflows - Statewide Retirement Plan	263,927
Unavailable property tax revenue	4,762,395
	5,026,322
Total deferred inflows of resources	5,026,322

**NET POSITION**

Net investment in capital assets	(1,448,696)
Restricted	220,000
Unrestricted	11,464,670
	11,464,670
Total net position	\$ 10,235,974

The accompanying notes are an integral part of these financial statements.

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2025**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
General and administrative	\$ 190,333	\$ -	\$ -	\$ (190,333)
Operations	5,303,999	2,620,734	1,361	(2,681,904)
Maintenance	102,140	-	-	(102,140)
Training and associations	89,029	-	-	(89,029)
Prevention, safety, community services	13,775	-	-	(13,775)
Interest and other fiscal charges	105,455	-	-	(105,455)
Total governmental activities	5,804,731	\$ 2,620,734	\$ 1,361	(3,182,636)
General revenues:				
				4,088,585
				390,546
				222,381
				13,015
				4,714,527
				1,531,891
				8,704,083
				\$ 10,235,974

The accompanying notes are an integral part of these financial statements.

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2025**

	<u>General Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 5,445,542
Cash with County Treasurer	24,411
Property tax receivable	4,762,395
Accounts receivable	5,551,408
Prepaid items	<u>4,475</u>
Total assets	<u><u>\$ 15,788,231</u></u>
<b>LIABILITIES</b>	
Accounts payable and other accrued liabilities	\$ 33,986
Accrued salaries and benefits	<u>132,477</u>
Total liabilities	<u>166,463</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable revenue-property taxes	<u>4,762,395</u>
<b>FUND BALANCE</b>	
Nonspendable	4,475
Restricted for TABOR	220,000
Assigned for operating reserves	2,196,177
Unassigned	<u>8,438,721</u>
Total fund balance	<u>10,859,373</u>
Total liabilities, deferred inflows of resources, and fund balance	<u><u>\$ 15,788,231</u></u>

The accompanying notes are an integral part of these financial statements.

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2025**

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

Total fund balance - governmental funds	\$ 10,859,373
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Capital assets, not being depreciated	\$ 3,206,007	
Capital assets, net of depreciation	<u>1,531,668</u>	4,737,675

Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in government funds:

Pension outflows - Statewide Retirement Plan	\$ 1,103,425	
Pension inflows - Statewide Retirement Plan	(263,927)	
Accrued interest payable	(14,201)	
Lease payable	<u>(6,186,371)</u>	<u>(5,361,074)</u>

Net Position of governmental activities in the statement of net position	<u>\$ 10,235,974</u>
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The accompanying notes are an integral part of these financial statements.

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>General Fund</u>
<b>REVENUES</b>	
General property tax	\$ 4,088,585
Specific ownership tax	390,546
Charges for services:	
Wildland/Disaster billings	1,154,323
Ambulance billings	1,446,084
Other	20,327
Donations	1,361
Investment earnings	222,381
Other income	13,015
Total revenues	<u>7,336,622</u>
<b>EXPENDITURES</b>	
General and administrative	190,333
Operations	4,870,381
Maintenance	102,140
Training and associations	89,029
Prevention, safety and community services	13,776
Capital outlays	1,023,502
Debt service:	
Principal	1,744,015
Interest and fiscal charges	91,255
Total expenditures	<u>8,124,431</u>
Excess (deficit) of revenues over expenditures	(787,809)
<b>OTHER FINANCING SOURCES</b>	
Lease purchase proceeds	<u>6,186,371</u>
Net change in fund balance	5,398,562
Fund balance - beginning, as restated	<u>5,460,811</u>
Fund balance - ending	<u><u>\$ 10,859,373</u></u>

The accompanying notes are an integral part of these financial statements.

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2025**

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

Net change in fund balances - total governmental funds:	\$	5,398,562
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlays	\$ 943,772		
Depreciation	<u>(217,296)</u>		726,476

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Lease proceeds	\$ (6,186,371)		
Repayment of principal	<u>1,744,016</u>		(4,442,355)

Certain expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Interest expense	\$ (14,201)		
Pension expenses - Statewide Retirement Plan	<u>(136,591)</u>		<u>(150,792)</u>

Change in net position of governmental activities	\$	<u><u>1,531,891</u></u>
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The accompanying notes are an integral part of these financial statements.

## **NOTES TO FINANCIAL STATEMENTS**

**CIMARRON HILLS FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Cimarron Hills Fire Protection District (the District) was organized under the laws of the State of Colorado to operate and maintain a special district for the purpose of providing fire suppression, fire protection and education, rescue, hazardous materials, emergency medical, and ambulance services (collectively, "Emergency Services") to the citizens within its jurisdiction and to individuals passing through its jurisdiction.

The accounting policies of the District conform to generally accepted accounting principles (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the District are discussed below.

*A. REPORTING ENTITY*

The District is a quasi-municipal corporation governed by an elected five-member board. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The District has no component units, nor is it a component unit of another unit.

*B. BASIS OF PRESENTATION – GOVERNMENT-WIDE FINANCIAL STATEMENTS*

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the government. Governmental activities are normally supported by taxes, intergovernmental revenues, and other nonexchange transactions. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

*C. BASIS OF PRESENTATION – FUND FINANCIAL STATEMENTS*

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

The District reports the following major governmental 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.

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING*

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the 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 the related cash flow. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue in the fiscal year in which all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the period or soon enough thereafter to pay liabilities of the current fiscal period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, specific ownership taxes, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants recognize revenue when the qualifying expenditures have been incurred and all other grant requirements have been met, and the amount is received during the period or within the availability period of this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

*E. ASSET, LIABILITIES, AND NET POSITION/FUND BALANCE*

*Cash and cash equivalents*

Cash and cash equivalents include cash on hand and in the bank and short-term investments with original maturities of three months or less from the date of acquisition.

*Investments*

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

Local government investment pools in Colorado must be organized under Colorado Revised Statutes, which allows certain types of governments within the state to pool their funds for investment purposes. Investments in such pools are valued at the pool's share price, the price at which the investment could be sold.

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Receivables*

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

*Prepaid items*

Payments made for expenses that will benefit periods beyond December 31, 2025 are recorded as prepaid expenses.

*Capital Assets*

Capital assets are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of one year. Such assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset, or materially extend asset lives, are not capitalized. Improvements are capitalized and are depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Structures, roads, and grounds	5 – 40 years
EMS/Medical equipment	6 years
Office and admin equipment	7 – 15 years
General equipment	5 – 15 years
Communications equipment	7 years
Vehicles and apparatus	5 – 15 years

When depreciable property is acquired, depreciation is included in expense for the year of acquisition for the number of months during the year the asset was in service. When depreciable property is retired or otherwise disposed of, depreciation is included in expense for the number of months in service during the year of retirement and the related costs and accumulated depreciation are removed from the accounts with any gain or loss reflected in the statement of revenue, expenses and changes in fund net position.

*Pensions*

Cimarron Hills Fire Protection District participates in the Statewide Retirement Plan (SRP), a cost-sharing multiple-employer defined benefit pension plan administered by the Fire & Police Pension Association of Colorado (FPPA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SRP have been determined using the economic resources measurement focus and the accrual basis of accounting. 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.

**CIMARRON HILLS FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Deferred outflows/inflows of resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

*Leases*

Lessee: The District is a lessee for noncancellable leases. The District recognizes a lease liability and an intangible right-to-use lease assets in the financial statements. The District recognizes lease liabilities with an initial, individual value of \$50,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

*Long-term liabilities*

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. In the fund financial statements, the face amount of the debt issued is reported as other financing sources.

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Net position flow assumption*

The District may fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

*Fund Balance Classification*

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications available to be used in the governmental fund financial statements are as follows:

**Nonspendable** – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

**Restricted** – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

**Committed** – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action that was used when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

**Assigned** – This classification includes amounts that are constrained by the District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Directors or through the Board of Directors delegating this responsibility to management through the budgetary process. This classification also includes the remaining positive fund balance for any governmental funds except for the General Fund.

**Unassigned** – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The District would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

**CIMARRON HILLS FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*F. REVENUES AND EXPENDITURES/EXPENSES*

*Program revenues*

Amounts reported as *program revenues* include 1) fees and charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Revenues that are not classified as program revenues, including all taxes, are reported as general revenues.

*Wildland Services*

The District participates in deployments for wildland services throughout the country that are billed to and reimbursed by the State. Due to the uncertainty related to the amount of funding that will be approved and remitted by the State and the timing of the actual collections, which may occur months following deployment, the District recognizes revenue associated with wildland services on a cash basis, thereby recognizing revenue when the payment for the services is received.

*Ambulance Services*

The District provides ambulance response services to members of the community. Due to uncertainty related to third-party payer adjustments and the timing of collections for the ambulance response fees, the District recognizes revenue associated with the ambulance response services on a cash basis, thereby recognizing revenue when the payment for the services is received.

As of December 31, 2025, the balance billed by and due outstanding to the District, before third party payer adjustments, was \$1,446,084. The actual revenue to be recognized will be determined at the time final payment is received by the District.

*Property Taxes*

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on January 1 and payable in two installments due February 28 and June 15, or in one installment due April 30. El Paso County Treasurer bills and collects property taxes for the District. District property tax revenues are recognized when levied to the extent that they result in current receivables.

The District is permitted to levy taxes on the assessed valuation for general governmental services and for the payment of principal and interest on long-term debt. The mill levy for general operating expenses for the year ended December 31, 2025 was 16.621 mills. The District's assessed valuation for 2025 was \$245,164,490.

*Compensated absences*

The District recognizes a liability for compensated absences in accordance with the provisions of GASB Statement No. 101, *Compensated Absences*. Under this standard, a liability is reported for leave that is attributable to services already rendered, is to be used for time off, and is more likely than not to be used for time off or otherwise paid.

**CIMARRON HILLS FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Vacation leave that meets these criteria is accrued when earned in the government-wide financial statements. Sick leave is accrued only to the extent that it is reasonably expected to be paid upon separation or used in future periods. The amount reported as a liability is based on the pay rates in effect at the end of the reporting period and includes applicable salary-related payments.

In the governmental fund financial statements, compensated absences are recognized as expenditures only when due.

*G. ESTIMATES*

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

**NOTE 2—STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

*Budget information*

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- 1) In the fall, a proposed operation budget is submitted to the Board for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- 2) Public hearings are conducted by the District to obtain taxpayer comments.
- 3) Prior to December 31, the budget is legally enacted through passage of a resolution. This authorizes a lump-sum expenditure budget by fund for the District. This aggregate expenditure budget, by fund, then becomes the level of control upon which expenditures cannot legally exceed appropriations. An appropriation ordinance is also adopted which allocates the total budget by fund.
- 4) Any revisions that alter the budget of any fund must be approved by the Board by passage of a resolution.
- 5) Formal budgetary integration is employed as a management control device during the year for the general and pension funds.
- 6) Budgets for the general fund are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board.
- 7) All annual appropriations lapse at the end of the year.

*Excess of Expenditures over Appropriations*

For the year ended December 31, 2025, expenditures exceeded appropriations in the General Fund by \$826,394. These over-expenditures were funded by lease purchase proceeds.

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 3 – DEPOSITS AND INVESTMENTS**

A summary of deposits and investments as of December 31, 2025 is as follows:

Cash and cash equivalents:

Deposits	\$ 3,004,966
Investments	<u>2,440,576</u>
 Total	 <u>\$ 5,445,542</u>

*Cash deposits with fiscal institutions*

*Custodial credit risk-deposits.* Colorado state statutes govern the entity’s deposit of cash. The Public Deposit Protection Acts for banks and savings and loans requires the state regulators to certify eligible depositories for public deposits. The acts require the eligible depositories with public deposits in excess of the federal insurance levels to create a single institution collateral pool of defined eligible assets. Eligible collateral includes obligations of the United States, obligations of the State of Colorado or local Colorado governments, and obligations secured by first lien mortgages on real property located in the state. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the assets in the pool must be at least equal to 102% of uninsured deposits.

At December 31, 2025, the carrying amounts of the District’s deposits were \$3,004,966 and the bank balances were \$3,029,909. Of the total bank balances, \$250,000 was covered by FDIC insurance and the remaining balance of \$2,779,909 falls under the provisions of the Colorado Public Deposit Protection Acts which are collateralized in single institution pools.

*Investments*

The District is authorized by Colorado statutes to invest in the following:

- ◆ Obligations of the United States and certain U.S. government agencies’ securities;
- ◆ General obligation and revenue bonds of U.S. local government entities;
- ◆ Local government investment pools;
- ◆ Written repurchase agreements collateralized by certain authorized securities;
- ◆ Certain money market funds;
- ◆ Guaranteed investment contracts.

At December 31, 2025 the District’s investment balances were as follows:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
COLOTRUST	Less than 60 days	<u>\$ 2,440,576</u>

*Interest Rate Risk:* The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses from increasing interest rates.

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

*Credit Risk:* State law and the District’s investment policies limit investments as described above. As of December 31, 2025, the District’s investments were rated AAAM by Standard & Poor’s.

Colorado Surplus Asset Fund Trust (COLOTRUST) is an investment vehicle established for local government entities in Colorado to pool surplus funds for investment purposes by state statutes. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. Designated custodial banks provide safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal functions of COLOTRUST. All securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian’s internal records identify the investments owned by COLOTRUST. Investments of COLOTRUST consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury notes.

**NOTE 4 – ACCOUNTS RECEIVABLE**

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, 2025 consist of the following:

Ambulance Receivable	\$ 823,159
Allowance for Uncollectable Accounts	(411,579)
Wildland Fire Receivable	1,065,185
Escrow Proceeds Receivable	<u>4,074,644</u>
Total	<u>\$ 5,551,408</u>

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 5 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2025 was as follows:

	Beginning Balance, <u>As Restated</u>	<u>Increase</u>	<u>Decrease</u>	Ending Balance
Capital assets, not being depreciated				
Land	\$ 345,060	\$ -	\$ -	\$ 345,060
Construction in progress	<u>2,281,596</u>	<u>579,351</u>	<u>-</u>	<u>2,860,947</u>
Total capital assets, not being depreciated	<u>2,626,656</u>	<u>579,351</u>	<u>-</u>	<u>3,206,007</u>
Capital assets, being depreciated:				
Structures, roads, and grounds	1,779,076	-	-	1,779,076
EMS/Medical equipment	133,697	87,132	-	220,829
Office and admin equipment	15,228	-	-	15,228
General equipment	196,629	-	-	196,629
Communications equipment	78,701	7,873	-	86,574
Vehicles and apparatus	<u>1,405,971</u>	<u>269,416</u>	<u>(30,000)</u>	<u>1,645,387</u>
Total capital assets, being depreciated	<u>3,609,302</u>	<u>364,421</u>	<u>(30,000)</u>	<u>3,943,723</u>
Less accumulated depreciation for:				
Structures, roads, and grounds	(1,018,274)	(61,626)	-	(1,079,900)
EMS/Medical equipment	(56,777)	(17,101)	-	(73,878)
Office and admin equipment	(10,304)	(1,565)	-	(11,869)
General equipment	(165,724)	(21,358)	-	(187,082)
Communications equipment	(20,230)	(7,166)	-	(27,396)
Vehicles and apparatus	<u>(953,450)</u>	<u>(108,480)</u>	<u>30,000</u>	<u>(1,031,930)</u>
Total accumulated depreciation	<u>(2,224,759)</u>	<u>(217,296)</u>	<u>30,000</u>	<u>(2,412,055)</u>
Capital assets, being depreciated, net	<u>1,384,543</u>	<u>147,125</u>	<u>-</u>	<u>1,531,668</u>
Total capital assets, net	<u>\$ 4,011,199</u>	<u>\$ 726,476</u>	<u>\$ -</u>	<u>\$ 4,737,675</u>

Depreciation expense was charged to functions/programs of as follows:

General and administrative	\$ 1,565
Operations	<u>215,731</u>
Total	<u>\$ 217,296</u>

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 6 - LONG-TERM LIABILITIES**

*Lease Purchase Agreements*

In 2024, the District entered into a \$1,744,016 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 was paid off with the 2025 lease purchase agreement.

On December 12, 2025, the District entered into a lease purchase agreement in the amount of \$6,186,371 to finance the Valley building project and payoff the 2024 lease purchase agreement. Annual payments of \$459,700 are due through January 2045, and bear interest at 4.50%.

Debt service requirements to maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 427,222	\$ 32,478
2027	196,939	262,761
2028	205,924	253,776
2029	215,319	244,381
2030	225,143	234,557
2031-2035	1,289,499	1,009,000
2036-2040	1,611,762	686,738
2041-2045	<u>2,014,563</u>	<u>283,938</u>
Total	<u>\$ 6,186,371</u>	<u>\$ 3,007,629</u>

Changes in the District's long-term liabilities for the year ended December 31, 2025, are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due within One year</u>
Lease liability	<u>\$ 1,744,016</u>	<u>\$ 6,186,371</u>	<u>\$ (1,744,016)</u>	<u>\$ 6,186,371</u>	<u>\$ 427,222</u>

**CIMARRON HILLS FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE 7 – DEFINED BENEFIT PENSION PLAN**

*Statewide Retirement Plan*

*General Information about the Pension Plan*

*Plan description.* Eligible employees of the Cimarron Hills Fire Protection District are provided with pensions through the Statewide Retirement Plan (SRP) – 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 229 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.

The Plan is administered by the Fire & Police 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>.

*Benefits provided.* The SRP provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members through the Statewide Death and Disability Plan which is also administered by FPPA.

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 a 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.

**CIMARRON HILLS FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE 7 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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 COLA 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 a least 12 calendar months prior to October 1.

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 contribution, along with 5.0 percent as interest, returned as a lump sum distribution in lieu of a retirement benefit.

*Contributions.* Contribution rates for the Plan are set by statute statute. The FPPA Board of Directors may further increase the required contributions, equally between employer and member, upon approval through an election by 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 2024, the total combined member and employer contribution rate was 22.0 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 2024, the total minimum required member and employer contribution rate was 22.2 percent.

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 7 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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 2024, the total combined member and employer contribution rate was 11.00 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 2024, the total minimum combined member and employer contribution rate was 17.0 percent.

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, 2024 through June 30, 2025 is 14.56 percent. The Hybrid Defined Benefit Component contribution rate from July 1, 2023 through June 30, 2024 was 14.24 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 as 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.

Employer contributions are recognized by the SRP in the period in which the compensation becomes payable to the member and the Cimarron Hills Fire Protection District is statutorily committed to pay the contributions to the SRP. Employer contributions recognized by the SRP from Cimarron Hills Fire Protection District were \$261,336 for the year ended December 31, 2025.

*Actuarial assumptions.* The actuarial valuations for the Statewide Retirement Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2024. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 1, 2025	January 1, 2024
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*	7.0%	7.0%
Projected Salary Increases*	4.25% - 11.75%	4.25% - 11.75%
Cost of Living Adjustments (COLA)	0%	0%
*Includes Inflation at	2.5%	2.5%

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 7 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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. 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 2023 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, 2024. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

*Long-term rate of return.* 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, 2024, are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Rate of Return</b>
Global Equity	33%	7.00%
Equity Long/Short	6%	6.20%
Private Markets	34%	8.80%
Fixed Income - Rates	7%	5.00%
Fixed Income - Credit	7%	6.50%
Absolute Return	9%	5.70%
Cash	4%	4.20%
<b>Total</b>	<b>100.0%</b>	

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 7 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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

The COLA assumption reflects the true nature of Board’s Benefits Policy which includes a variable COLA and supplemental payments. Consistent with Board’s policy, the 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.

*Discount rate.* 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 4.08 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.

*Sensitivity of the Cimarron Hills Fire Protection District proportionate share of the net pension liability/(asset) to changes in the Discount Rate.* The following presents the plan’s net pension liability, calculated using a single discount rate of 7.00 percent, as well as what the plan’s net pension liability would be if it were calculated using a single discount rate that is one percent lower or one percent higher:

<b>1% Decrease 6.00%</b>	<b>Single Discount Rate Assumption 7.00%</b>	<b>1% Increase 8.00%</b>
\$ 1,140,096	\$ -	\$ -

The net pension liability of \$0 reflects a reserve for cost of living adjustments and to manage adverse experience of \$143,757,639 at a 7.00 percent discount rate and \$666,904,279 at a 8.00 percent discount rate.

*Pension plan fiduciary net position.* Detailed information about the SRP’s fiduciary net position is available in FPPA’s comprehensive annual financial report which can be obtained at [www.fppaco.org](http://www.fppaco.org).

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 7 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At December 31, 2025, the Cimarron Hills Fire Protection District reported a liability/(asset) of \$0.00 for its proportionate share of the net pension liability/(asset). The net pension liability/(asset) was measured as of December 31, 2024, and the collective total pension liability/(asset) used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of January 1, 2025. The Cimarron Hills Fire Protection District proportion of the net pension liability/(asset) was based on Cimarron Hills Fire Protection District contributions to the SRP for the calendar year 2024 relative to the total contributions of participating employers to the SRP.

At December 31, 2024, the Cimarron Hills Fire Protection District’s proportion was 0.233630550 percent, which was an increase of 0.0130396310 from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the Cimarron Hills Fire Protection District recognized pension expense of \$397,927. At December 31, 2025, the Cimarron Hills Fire Protection District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 561,411	\$ 17,561
Changes in assumptions or other inputs	200,924	-
Net difference between projected and actual investment earnings	79,754	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	246,366
Contributions subsequent to the measurement date	261,336	-
<b>Total</b>	<b>\$ 1,103,425</b>	<b>\$ 263,927</b>

\$261,336 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2026	\$ 196,273
2027	305,932
2028	(9,345)
2029	2,247
2030	44,875
Thereafter	38,180

**CIMARRON HILLS FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE 8 – STATEWIDE DEATH AND DISABILITY PLAN**

*Plan description.* The District contributes to the Statewide Death and Disability Plan (SWD&D), a cost-sharing multiple-employer death and disability plan administered by FPPA. The SWD&D covers full-time employees of substantially all fire and police departments in Colorado. As of August 1, 2003, the SWD&DP may include part-time police and fire employees.

Contributions to the SWD&D are used solely for the payment of death and disability benefits. Employers who are covered by Social Security may elect supplementary coverage by the Plan. The Plan was established in 1998 pursuant to Colorado Revised Statutes. FPPA issues a publicly available annual comprehensive financial report that includes financial statements and required supplementary information for the SWD&DP. That report can be obtained on FPPA's website at <http://www.FPPAco.org>.

*Funding Policy.* The District and/or employee is required to contribute at a rate of 3.8% of base salary for all members as set by statute. All contributions are made by members or on behalf of members. The 3.8% contribution may be paid entirely by the employer or the member, or it may be split between the employer and the member. Currently, the District is splitting the 3.8% between the District and the Members. For the year ending December 31, 2025, the District's contributions to the SWD&D were \$97,937 equal to the required contributions for the year.

**NOTE 9 – DEFERRED COMPENSATION PLAN**

All paid firefighters are eligible to participate in a deferred compensation plan created in accordance with Internal Revenue Code section 457 (Deferred Compensation Plan). The Deferred Compensation Plan, which is administered by FPPA, allows all paid firefighters the opportunity to defer a portion of their salary until future years. All compensation deferred under the Deferred Compensation Plan, 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 the exclusive benefits of the participants and their beneficiaries. Amounts contributed to the Deferred Compensation Plan are not available to employees until termination, retirement, death, or unforeseeable emergency.

Participants 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. Employers may also contribute to this plan on behalf of its employees provided that the combined employee and employer contributions do not exceed the aforementioned limits.

Deferred Compensation Plan investment purchases are determined by the individual participants and therefore, the Deferred Compensation Plan's investment concentration varies between participants.

The District has no liability for losses under the Deferred Compensation Plan. Accordingly, the Deferred Compensation Plan is not part of the District's financial statements.

**CIMARRON HILLS FIRE PROTECTION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE 10 - RISK MANAGEMENT**

The District is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District carries commercial insurance for these risks of loss, including worker's compensation and employee health and accident insurance. Settled claims resulting from these risks did not exceed commercial insurance coverage during the last three fiscal years.

**NOTE 11 - AMENDMENT TO COLORADO CONSTITUTION**

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. Fiscal year spending and revenue limits are determined based on the prior years' spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue.

The Amendment requires, with certain exceptions, voter approval prior to imposing new taxes, increasing tax rates, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government.

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.

The Amendment requires the emergency reserves be established. These reserves must be at least 3 percent of Fiscal Year Spending (excluding bonded debt service). Emergency reserves, as of December 31, 2025 totaling \$220,000 have been presented as a reservation of fund balance in the General Fund. The District is not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the amendment. However, the District has made certain interpretations in the amendment's language in order to determine its compliance.

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 12 – ADJUSTMENTS TO AND RESTATEMENTS OF BEGINNING BALANCES**

During the fiscal year 2025, the District determined that a prior period adjustment was needed to correct accrued health benefits. The effect of correcting this error is shown in the table below.

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances	
	Governmental Funds	Government-Wide
	General Fund	Governmental Activities
December 31, 2024, as previously reported	\$ 5,378,470	\$ 8,621,742
<i>Error correction</i>		
Correct accrued health benefits	82,341	82,341
December 31, 2024, as restated	\$ 5,460,811	\$ 8,704,083

**REQUIRED SUPPLEMENTARY INFORMATION**

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
General property tax	\$ 4,074,879	\$ 4,074,879	\$ 4,088,585	\$ 13,706
Specific ownership tax	235,000	235,000	390,546	155,546
Charges for services:				
Wildland/Disaster billings	900,000	900,000	1,154,323	254,323
Ambulance billings	586,000	586,000	1,446,084	860,084
Other	10,000	10,000	20,327	10,327
Donations	-	-	1,361	1,361
Interest earnings	132,000	132,000	222,381	90,381
Other income	-	-	13,015	13,015
	<u>5,937,879</u>	<u>5,937,879</u>	<u>7,336,622</u>	<u>1,398,743</u>
<b>EXPENDITURES</b>				
General and administrative	229,822	229,822	190,333	39,489
Operations	5,363,340	5,363,340	4,870,381	492,959
Maintenance	108,200	108,200	102,140	6,060
Training and associations	116,570	116,570	89,029	27,541
Prevention, safety, community services	18,850	18,850	13,776	5,074
Capital outlays	1,370,000	1,370,000	1,023,502	346,498
Debt service:				
Principal	-	-	1,744,015	(1,744,015)
Interest and fiscal charges	-	-	91,255	(91,255)
	<u>7,206,782</u>	<u>7,206,782</u>	<u>8,124,431</u>	<u>(826,394)</u>
Excess (deficit) of revenues over expenditures	(1,268,903)	(1,268,903)	(787,809)	572,349
<b>OTHER FINANCING SOURCES</b>				
Lease purchase proceeds	-	-	6,186,371	6,186,371
Net Change in Fund Balance	(1,268,903)	(1,268,903)	5,398,562	6,758,720
Fund balances - beginning, as restated	<u>4,256,814</u>	<u>4,256,814</u>	<u>5,460,811</u>	<u>1,203,997</u>
Fund balances - ending	<u>\$ 2,987,911</u>	<u>\$ 2,987,911</u>	<u>\$ 10,859,373</u>	<u>\$ 7,962,717</u>

See the accompanying independent auditors' report

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
DECEMBER 31, 2025**

	<u>2024</u>	<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>
District's proportion of the net pension liability (asset)	0.233630550%	0.22%	0.21%	0.18%	0.14%	0.11%	0.11%	0.12%	0.14%	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)
District's covered payroll	\$ 2,547,450	\$ 2,548,000	\$ 1,808,000	\$ 1,462,000	\$ 1,154,000	\$ 835,000	\$ 754,000	\$ 706,000	\$ 733,000	\$ 730,000
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.00%	0.00%	10.20%	-67.31%	-27.04%	-7.67%	18.89%	-24.61%	7.06%	-0.36%
Plan fiduciary net position as a percentage of the total pension liability	100.0%	100.0%	97.6%	116.2%	106.7%	101.9%	95.2%	106.3%	98.2%	100.1%

\* The amounts presented for each year were determined as of 12/31.

See the accompanying independent auditors' report.

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
SCHEDULE OF DISTRICT'S STATUTORY PAYROLL CONTRIBUTIONS AND COVERED PAYROLL  
DECEMBER 31, 2025**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily required contribution	\$ 261,336	\$ 254,775	\$ 205,882	\$ 162,761	\$ 124,258	\$ 92,340	\$ 66,798	\$ 60,356	\$ 56,518	\$ 58,656
Contributions in relation to the statutorily required contribution	<u>(261,336)</u>	<u>(254,775)</u>	<u>(205,882)</u>	<u>(162,761)</u>	<u>(124,258)</u>	<u>(92,340)</u>	<u>(66,798)</u>	<u>(60,356)</u>	<u>(56,518)</u>	<u>(58,656)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 2,488,914	\$ 2,548,000	\$ 2,167,000	\$ 1,808,000	\$ 1,462,000	\$ 1,154,000	\$ 835,000	\$ 754,000	\$ 706,000	\$ 733,000
Contributions as a percentage of covered payroll	10.50%	10.00%	9.50%	9.00%	8.50%	8.00%	8.00%	8.00%	8.00%	8.00%

\* The amounts presented for each year were determined as of 12/31.

See the accompanying independent auditors' report.

## **SUPPLEMENTARY INFORMATION**

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
SCHEDULE OF DETAILED EXPENDITURES - GENERAL FUND  
YEAR ENDED DECEMBER 31, 2025**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<b>Administrative</b>				
Audit and consulting	\$ 18,375	\$ 18,375	\$ 18,080	\$ 295
Awards, incentives, and events	15,300	15,300	12,612	2,688
Payroll service charges	7,760	7,760	6,773	987
County treasurer fees	61,123	61,123	61,328	(205)
Data automation	32,418	32,418	30,914	1,504
Election	45,000	45,000	36,526	8,474
Legal fees and notices	20,000	20,000	21,263	(1,263)
Office supplies and equipment	9,846	9,846	8,284	1,562
Tax refunds	20,000	20,000	3,483	16,517
Miscellaneous	-	-	(8,930)	8,930
	<u>-</u>	<u>-</u>	<u>(8,930)</u>	<u>8,930</u>
<b>Total Administrative</b>	<u>\$ 229,822</u>	<u>\$ 229,822</u>	<u>\$ 190,333</u>	<u>\$ 39,489</u>
<b>Operations</b>				
Utilities	\$ 33,000	\$ 33,000	\$ 27,847	\$ 5,153
Fire/rescue operations	11,200	11,200	7,973	3,227
Wildland fire operations	311,500	311,500	194,709	116,791
Insurance	38,400	38,400	38,625	(225)
EMS/medical operations	61,500	61,500	72,847	(11,347)
Protective and personal equipment	32,300	32,300	29,137	3,163
Structures, roads, and grounds	18,500	18,500	11,316	7,184
Communications	42,518	42,518	41,975	543
Vehicle and apparatus fuel	35,000	35,000	24,548	10,452
Salary	3,704,555	3,704,555	3,411,858	292,697
Benefits	894,268	894,268	841,418	52,850
Unemployment insurance	250	250	-	250
Workers compensation insurance	109,799	109,799	106,295	3,504
Health and wellness	30,300	30,300	28,083	2,217
Director stipend	12,000	12,000	6,100	5,900
Uniforms	28,250	28,250	27,650	600
	<u>28,250</u>	<u>28,250</u>	<u>27,650</u>	<u>600</u>
<b>Total Operations</b>	<u>\$ 5,363,340</u>	<u>\$ 5,363,340</u>	<u>\$ 4,870,381</u>	<u>\$ 492,959</u>

See the accompanying independent auditors' report

**CIMARRON HILLS FIRE PROTECTION DISTRICT  
SCHEDULE OF DETAILED EXPENDITURES - GENERAL FUND  
YEAR ENDED DECEMBER 31, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Maintenance</b>				
Structures, roads, and grounds	\$ 21,900	\$ 21,900	\$ 22,252	\$ (352)
Vehicle and apparatus	86,300	86,300	79,888	6,412
<b>Total Maintenance</b>	<b>\$ 108,200</b>	<b>\$ 108,200</b>	<b>\$ 102,140</b>	<b>\$ 6,060</b>
<b>Training and Associations</b>				
Training	\$ 109,500	\$ 109,500	\$ 83,659	\$ 25,841
Recruiting, testing, and hiring	2,760	2,760	1,907	853
Association fees and dues	4,310	4,310	3,463	847
<b>Total Training and Associations</b>	<b>\$ 116,570</b>	<b>\$ 116,570</b>	<b>\$ 89,029</b>	<b>\$ 27,541</b>
<b>Prevention, Safety, and Community Services</b>				
Plans, permits, and code inspections	\$ 500	\$ 500	\$ -	\$ 500
Fire investigations	1,000	1,000	-	1,000
Fire prevention education	5,500	5,500	5,553	(53)
Community outreach	11,850	11,850	8,223	3,627
<b>Total Prevention, Safety, and Community Services</b>	<b>\$ 18,850</b>	<b>\$ 18,850</b>	<b>\$ 13,776</b>	<b>\$ 5,074</b>
<b>Capital Outlays</b>				
Structures, roads, and grounds	\$ 600,000	\$ 600,000	\$ 579,350	\$ 20,650
General operations	25,000	25,000	4,686	20,314
Communications operations	15,000	15,000	-	15,000
Vehicles and apparatus	570,000	570,000	324,518	245,482
Wildland/disaster operations	30,000	30,000	14,479	15,521
EMS operations	130,000	130,000	100,469	29,531
<b>Total Capital Outlays</b>	<b>\$ 1,370,000</b>	<b>\$ 1,370,000</b>	<b>\$ 1,023,502</b>	<b>\$ 346,498</b>

See the accompanying independent auditors' report

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

<b>December 31,</b>	<b>Prior Valuation for Current Year Tax Levy</b>	<b>Mills Levied (All Funds)</b>	<b>Total Property Taxes</b>		<b>Percent Collected To Levied</b>
			<b>Levied</b>	<b>Collected Currently</b>	
<b>2021</b>	\$ 168,348,100	16.200	\$ 2,727,239	\$ 2,732,724	100.20%
<b>2022</b>	\$ 204,302,540	16.200	\$ 3,309,701	\$ 3,322,191	100.38%
<b>2023</b>	\$ 205,459,730	16.621	\$ 3,414,946	\$ 3,409,812	99.85%
<b>2024</b>	\$ 243,669,250	16.621	\$ 4,050,027	\$ 4,534,504	111.96%
<b>2025</b>	\$ 245,164,490	16.621	\$ 4,074,879	\$ 4,088,585	100.34%

**Property taxes levied for the year ending December 31:**

<b>2026</b>	\$ 286,528,810	16.621	\$ 4,762,395
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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.**

See the accompanying independent auditors' report