

Hartsel Fire Protection District

**Annual Financial Report and
Independent Auditors' Report**

December 31, 2023





Table of Contents

	Page
INDEPENDENT AUDITORS' REPORT	i-iii
Management Discussion and Analysis	iv-ix
BASIC FINANCIAL STATEMENTS:	
<i>Government-wide Financial Statements:</i>	
Statement of Net Position	1
Statement of Activities	2
<i>Fund Financial Statements – Governmental Funds:</i>	
Balance Sheet and Reconciliation of Governmental Fund Balance Sheet with the Government-wide Statement of Net Position	3
Statement of Revenues, Expenditures and Change in Fund Balance – General Fund	4
Reconciliation of the Statement of Revenues, Expenditures and Change in Fund Balance with the Government-wide Statement of Activities	5
NOTES TO THE BASIC FINANCIAL STATEMENTS	6-29
REQUIRED SUPPLEMENTARY INFORMATION:	
Schedule of Revenues, Expenditures and Changes in Fund Balances General Fund (Budget and Actual)	30
Schedules of Employer Contributions.....	31
Schedules of Proportionate Share of the Net Pension Liability/(Asset) and Related Ratios – Statewide Defined Benefit Plan.....	32
Schedules of Changes in Net Pension Liability and Related Ratios—Volunteer Firefighter’s Pension Plan.....	33
OTHER SUPPLEMENTARY INFORMATION:	
Summary of Assessed Valuation, Mill Levy and Property Taxes Collected	34



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Independent Auditors' Report

To the Board of Directors
Hartsel Fire Protection District

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of Hartsel Fire Protection District as of and for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Hartsel Fire Protection District as of December 31, 2023 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Hartsel 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.

Responsibilities of Management for the Financial Statements

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

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 Hartsel 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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

therefore is not a guarantee that an audit conducted in accordance with 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 Hartsel 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 Hartsel 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.

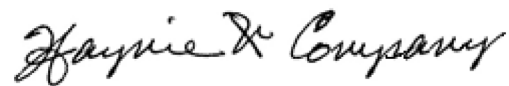
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedule for the General Fund and other required supplemental schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Summary of Assessed Valuation, Mill Levy, and Property Taxes Collected but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

A handwritten signature in cursive script that reads "Haynie & Company".

Littleton, Colorado
June 12, 2024

**Hartsel Fire Protection District
Management's Discussion and Analysis
For the Year Ended December 31, 2023**

Introduction

The Hartsel Fire Protection District's (the "District") Management's Discussion and Analysis is intended to provide the reader and user of the District's financial statements, with (a) an understanding of the financial status of the District; (b) an overview of the District's financial activities; (c) an explanation of the changes in the District's financial position; (d) an explanatory analysis of the variations of the annual budgets, and (e) an assessment of any future financial or operating issues of the District.

This discussion and analysis is intended to focus on the 2023 activities, resulting changes, and currently known facts and conditions and should be read in conjunction with the accompanying audited financial statements and related notes to the financial statements.

Overview of the Financial Statements of the District

The financial statements of the District are:

Government-Wide Financial Statements:

Statement of Net Position

Statement of Activities

Fund Financial Statements:

Balance Sheet and Reconciliation of the Governmental Fund Balance Sheet
with the Government-wide Statement of Net Position

Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balance with the Government-wide Statement of Activities

Notes to Financial Statements

Required Supplementary Information:

Statement of Revenues, Expenditures and Changes in Fund Balance –
Actual and Budget – General Fund

Schedules of Employer Contributions

Schedules of Proportionate Share of the Net Pension Liability/(Asset) and Related
Ratios

These statements, notes and schedules follow the independent auditors' report and the management's discussion and analysis. These provide information about the District's financial position as of December 31, 2023, the results of the operations for the year ended December 31, 2023, and information comparing actual revenues and expenditures with budgeted revenues and expenditures for the year.

**Hartsel Fire Protection District
Management's Discussion and Analysis
December 31, 2023**

The statement of net position, prepared using the full accrual basis of accounting, provides information about the District's assets, liabilities, and net position. Over time, the comparison of changes in net position may provide a useful method of evaluating whether the financial position of the District is improving, deteriorating, or maintaining a status quo.

The statement of activities provides information about the components of the District's annual operating activities and how those activities affected net position.

The fund financial statement presents the District's financial position and results of operations using the traditional government modified accrual method of accounting, which accounts for the District's current financial resources.

The balance sheet does not account for capital assets, long-term debt, or pension related balances and the statement of revenues, expenditures and changes in fund balance records as revenue proceeds from sale of capital assets and capital lease proceeds and as expenditures debt service payments and acquisition of capital assets. The statement of revenues, expenditures and changes in fund balance does not account for the changes in pension-related account balances.

The reconciliations of the District's financial statements reflect explanations of the specific differences between the government-wide and fund financial statements.

The budgetary comparison schedule includes a comparison of actual revenues and expenditures with the final budget.

The notes to the financial statements provide additional required disclosures about the District, its accounting policies and practices, its financial position and operating activities, and other required information. The information included in these notes is essential to a full understanding of the information contained in the financial statements.

**Hartsel Fire Protection District
Management's Discussion and Analysis
December 31, 2023**

The following is a summary of the District's statement of net position as of December 31, 2023:

	<u>2023</u>	<u>2022</u>
Current Assets		
Cash and cash equivalents	\$ 1,045,704	\$ 315,674
Receivables	981,842	610,002
Prepays	<u>-</u>	<u>381</u>
Total current assets	<u>2,027,546</u>	<u>926,057</u>
Non-current assets		
Capital assets — net	3,063,980	1,426,765
Pension asset—Defined Benefit Plan	<u>-</u>	<u>50,695</u>
Total non-current assets	<u>3,063,980</u>	<u>1,477,460</u>
Deferred outflows of resources		
Volunteer Firefighters' plan	98,211	58,681
Statewide Defined Benefit Plan	<u>76,677</u>	<u>45,199</u>
Total deferred outflows of resources	<u>174,888</u>	<u>103,880</u>
Liabilities		
Current liabilities	35,517	17,598
Noncurrent Liabilities	2,500,000	-
Pension liability—Defined Benefit Plan	11,224	-
Pension liability—Volunteer Firefighters' plan	<u>338,702</u>	<u>230,455</u>
Total liabilities	<u>2,885,443</u>	<u>248,053</u>
Deferred inflows of resources		
Deferred property tax revenue	981,842	601,992
Volunteer Firefighters' plan	2,721	80,477
Statewide Defined Benefit plan	<u>1,378</u>	<u>35,110</u>
Total deferred inflows of resources	<u>985,941</u>	<u>717,579</u>
Net Position		
Investment in capital assets	1,343,201	1,426,765
Restricted for emergencies	23,924	21,246
Unrestricted	<u>12,829</u>	<u>93,754</u>
Total net position	<u>\$ 1,379,954</u>	<u>\$ 1,541,765</u>

**Hartsel Fire Protection District
Management's Discussion and Analysis
December 31, 2023**

The following is a summary of the District's statement of activities for the year ended December 31, 2023:

	<u>2023</u>	<u>2022</u>
Program expenses	\$ (971,597)	\$ (665,324)
Program revenues	<u>42,160</u>	<u>33,260</u>
Net program expenses	(929,437)	(632,064)
General revenues		
Property and specific ownership	668,611	668,580
Other	<u>99,015</u>	<u>162,482</u>
Total general revenues	767,626	831,062
Increase in net position	(161,811)	198,998
Net position at beginning of year	<u>1,541,765</u>	<u>1,342,767</u>
Net position at end of year	<u><u>\$ 1,379,954</u></u>	<u><u>\$ 1,541,765</u></u>

The above condensed statement of net position and statement of activities are summaries of the financial information contained in the District's audited financial statements. The District recommends a close review of the accompanying audited financial statements for more detailed information.

The District's net position was \$1,379,954 in 2023, showing a net decrease of \$161,811. This was due to \$117,000 more in equipment, repairs and maintenance more than in the previous year. This was intentional as in the previous year was a new Fire Chief.

The restricted portion of net position includes \$23,924 at December 31, 2023 for emergency reserves as required by Article X, Section 20 of the Colorado constitution ("TABOR").

Cash and cash equivalents at December 31, 2023, were \$1,045,704, approximately 52% of current assets and 21% of total assets. This influx is due to unspent loan proceeds.

**Hartsel Fire Protection District
Management's Discussion and Analysis
December 31, 2023**

At December 31, 2023, net capital assets were \$3,063,980. The change in capital assets during the current year was the result of additions to construction in progress of \$1,756,100 to build two tenders and an engine, offset by depreciation of \$118,885.

Total liabilities of the District at December 31, 2023, were \$2,885,443, which were comprised of a lease purchase agreement of \$2,500,000, accounts payable and accrued expenses of \$35,517, and the net pension liabilities related to the Volunteer Firefighters' Plan of \$338,702 and the Defined Benefit Plan of \$11,224. Deferred inflows of resources of the District were \$985,941, which were comprised of deferred revenue from property taxes of \$981,842 at December 31, 2023. Deferred inflows of resources related to the Volunteer Firefighters' Plan were \$2,721 and \$1,378 for the Defined Benefit Plan. For more information about these changes in net position and the operating activities please review the accompanying audited financial statements.

General Fund Discussion

For 2023, the general fund balance increased by \$708,957.

Revenues in 2023 were \$797,456, which were mostly comprised of tax revenues of \$668,611. Expenditures were \$2,588,499, which included administrative expenses of \$383,178, firefighting expenses of \$123,579, equipment repairs and maintenance of \$190,941 and capital outlay of \$1,756,100. The overall increase from prior year was a result of lease purchase proceeds of \$2,500,000.

Budgetary Analysis and Discussion—General Fund

There were no amendments to the 2023 budget, which appropriated \$1,062,651 for general fund expenditures. The District's budget for the general fund anticipated that expenditures would exceed revenues by \$355,459. The actual results for the year show an excess of \$1,791,043 for expenditures over revenues. See the Schedule of Revenues, Expenditures and Changes in Fund Balance (Budget and Actual) General Fund in the accompanying financial statements for more detail.

Capital Assets

Capital asset activity during 2023 consisted of additions related to the build of two tenders and one engine. See the Notes to Financial Statements, Note 3, Capital Assets, for more information.

Capital Assets—Depreciation

The District depreciates its capital assets using the straight-line method over estimated useful lives as shown in Notes to the Financial Statements, Note 1, Summary of Significant Accounting Policies.

**Hartsel Fire Protection District
Management's Discussion and Analysis
December 31, 2023**

Conditions, Decisions, and Facts Applicable to Future Operations

During 2004, the Park County Board of Commissioners approved the assessment by the District of fiscal impact fees. The District collected \$28,203 in impact fees during the year ended December 31, 2023, which are reflected in the total charges for services on the financial statements.

For 2024, the District budgeted \$981,842 for general property tax revenues (based on an assessed valuation for the District of \$131,808,584 and a mill levy of 7.449 mills) and \$2,109,993 for expenditures in the General Fund during 2024. The tax levy, plus miscellaneous income and carryover unused loan purchase proceeds, should be adequate to cover all the District's 2024 budgeted of expenditures.

Contacting the District's Financial Management

The financial report is designed to provide the District's citizens, taxpayers, investors, and creditors 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 Hartsel Fire Protection District, P.O. Box 10, Hartsel, CO 80449.

Basic Financial Statements

Hartsel Fire Protection District
Statement of Net Position
As of December 31, 2023

	Governmental Activities
Assets	
Current assets:	
Cash and cash equivalents	\$ 266,483
Cash and cash equivalents- restricted	779,221
Property taxes receivable	981,842
Total current assets	2,027,546
Non-current assets:	
Capital assets, net (Note 3)	3,063,980
Total non-current assets	3,063,980
Deferred Outflows of Resources	
Deferred outflows related to pension - Volunteer	98,211
Deferred outflows related to pension - SWDB	76,677
Total deferred outflows of resources	174,888
Total assets and deferred outflows of resources	\$ 5,266,414
Liabilities	
Accrued payroll & benefits	\$ 15,204
Accrued interest payable	20,313
Noncurrent liabilities:	
Lease due in more than one year	2,500,000
Net pension liability- Volunteer	338,702
Net pension liability-SWDB	11,224
Total liabilities	2,900,519
Deferred Inflows of Resources	
Deferred property tax revenue	981,842
Deferred inflows related to pension - Volunteer	2,721
Deferred inflows related to pension - SWDB	1,378
Total deferred inflows of resources	985,941
Net Position	
Investment in capital assets	1,343,201
Restricted for emergencies	23,924
Unrestricted	12,829
Total net position	1,379,954
Total liabilities, deferred inflows of resources, and net position	\$ 5,266,414

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

Hartsel Fire Protection District
Statement of Activities
For the year ended December 31, 2023

Functions/Program Activities	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contribution	Governmental Activities
Governmental activities				
Public safety	\$ (971,597)	\$ 31,093	\$ 11,067	\$ (929,437)
Total governmental activities	<u>\$ (971,597)</u>	<u>\$ 31,093</u>	<u>\$ 11,067</u>	<u>\$ (929,437)</u>
General revenues:				
				668,611
				9,076
				40,210
				<u>49,729</u>
				(161,811)
				<u>1,541,765</u>
				<u>\$ 1,379,954</u>

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

Hartsel Fire Protection District
Balance Sheet and Reconciliation
of the Governmental Fund Balance Sheet
with the Government-wide Statement of Net Position
As of December 31, 2023

	<u>General Fund</u>
Assets	
Cash and cash equivalents	\$ 266,483
Cash and cash equivalents- restricted	779,221
Property taxes receivable	981,842
Total assets	<u>\$ 2,027,546</u>
Liabilities	
Accrued payroll & benefits	\$ 15,204
Total liabilities	<u>30,280</u>
Deferred Inflows of Resources	
Deferred property tax revenue	981,842
Total deferred inflows of resources	<u>981,842</u>
Fund Balance	
Restricted for:	
Emergency reserve	23,924
Unassigned	991,500
Total fund balance	<u>1,015,424</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 2,027,546</u>
 Fund Balance - Total Governmental Fund	 \$ 1,015,424
<p>Amounts reported for governmental activities in the statement of net position are excluded from the governmental fund balance because:</p>	
<p>Capital assets used in governmental activities are not current financial resources and are excluded from the funds.</p>	
Governmental capital assets	4,872,012
Less accumulated depreciation	(1,808,032)
<p>Long-term liabilities, such as leases, are not due and payable in the current period and therefore are not reported in the funds.</p>	
Accrued interest payable	(20,313)
<p>Pension balances are not available resources and are not included in fund financial statements.</p>	
Net pension liability - SWDB	(11,224)
Net pension liability - Volunteer	(338,702)
Deferred outflows related to pension - SWDB	76,677
Deferred outflows related to pension - volunteer	98,211
Deferred inflows related to pension - SWDB	(1,378)
Deferred inflows related to pension - volunteer	(2,721)
Net position of governmental activities	<u>\$ 1,379,954</u>

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

Hartsel Fire Protection District
Statement of Revenues, Expenditures, and
Change in Fund Balance - General Fund
For the year ended December 31, 2023

	<u>General Fund</u>
Revenues	
Taxes	\$ 668,611
Charges for services	31,093
Grants	11,067
Investment income	9,076
Insurance Proceeds	40,210
Other income	<u>37,399</u>
Total Revenues	<u>797,456</u>
Expenditures	
Treasurer's fees	17,911
Administration	383,178
Firefighting and prevention	123,579
Communications	23,040
Equipment, repairs, and maintenance	190,941
Station, repairs and maintenance	93,750
Capital outlay	<u>1,756,100</u>
Total Expenditures	<u>2,588,499</u>
Excess of Expenditures over Revenues	<u>(1,791,043)</u>
Other Financing Sources	
Lease Purchase Proceeds	<u>2,500,000</u>
Total Other Financing Sources	<u>2,500,000</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>708,957</u>
Fund balance:	
Beginning of the year	<u>306,467</u>
End of the year	<u>\$ 1,015,424</u>

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

Hartsel Fire Protection District
Reconciliation of the Statement of Revenues, Expenditures
and Change in Fund Balance with the
Government-wide Statement of Activities
For the year ended December 31, 2023

Net change in fund balance—total governmental fund \$ 708,957

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives:

Current year depreciation	(118,885)
Capital outlay - capitalized portion	1,756,100

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:

Purchase lease obligation	(2,500,000)
Accrued interest - Change	(20,313)

Recognition and measurement of the changes in the net pension (asset) liability, together with pension-related deferred outflows of resources and deferred inflows of resources in the financial statements using the economic resources management focus and the accrual basis of accounting are not current financial resources and, therefore, are not reported in the governmental funds.

12,330

Change in net position of governmental activities \$ (161,811)

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

Hartsel Fire Protection District

Notes to Financial Statements

December 31, 2023

1. Summary of Significant Accounting Policies

Form of Organization

The Hartsel Fire Protection District (the "District") is organized under the provisions of Section 32-1-305 (6) of the Colorado Revised Statutes ("CRS"). It is a quasi-municipal corporation and a political subdivision of the State of Colorado with all powers thereof which includes the power to levy taxes against property within the District.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Reporting Entity

In conformity with GASB financial reporting standards, the District is the reporting entity for financial reporting purposes. The District is the primary government financially accountable for all activities of the District. The District meets the criteria of a primary government: its Board of Directors is the publicly elected governing body; it is a legally separate entity; and it is fiscally independent. The District is not included in any other governmental reporting entity.

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit's governing board, and either, a) the ability to impose its will by the primary government, or b) there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government; or
- 2) Fiscal dependency on the primary government and there is a potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointment by a higher level of government, or (3) a jointly appointed board.

Based on the above criteria, there are no other organizations that would be considered component units of the District. The District meets the criteria of an "other stand-alone government."

Hartsel Fire Protection District

Notes to Financial Statements (continued)

December 31, 2023

1. Summary of Significant Accounting Policies (continued)

Government-wide and Fund 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 activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, charges for services and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user charges for support. The District does not report any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to those 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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. The District has only one governmental fund, the General Fund.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are accounted for using the current financial resources measurement focus, whereby only current assets, deferred outflows of resources, liabilities, and deferred inflows of resources generally are included in the balance sheet, and the statement of revenues, expenditures and changes in fund balances present increases and decreases in those components. These funds use the modified accrual basis of accounting whereby revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days at the end of the current fiscal period.

Hartsel Fire Protection District

Notes to Financial Statements (continued)

December 31, 2023

1. Summary of Significant Accounting Policies (continued)

Expenditures generally are recognized when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recognized only when payment is due.

Property taxes, intergovernmental grants and earnings on investments 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. All other revenue items are considered to be measurable and available only when cash is received by the District.

Because governmental fund statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statements, a reconciliation is presented that briefly explains the adjustments necessary to reconcile to ending net position and the change in net position.

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, ("GASB No. 33") the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying nonexchange transaction occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source. Property taxes attach an enforceable lien on property as of January 1. Taxes are levied in December, payable in the following year in full by April 30, or in two equal installments due on the last day of February and June 15. For 2023, taxes were levied in January 2024 due to a delay in certification by the county commissioners.

Governmental funds are used to account for all or most of a government's general activities. The following is the District's only major governmental fund:

General Fund - The General Fund is the District's primary operating fund. It accounts for all the financial resources of the District.

Budgets

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

- By October 15, the District staff submits to the Board of Directors, a proposed operating budget for the fiscal year beginning the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- A public hearing is conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.

Hartsel Fire Protection District

Notes to Financial Statements (continued)

December 31, 2023

1. Summary of Significant Accounting Policies (continued)

- Any budget revisions that alter the total expenditures of any fund must be approved by the Board of Directors through passage of a formal resolution.
- The District legally adopts budgets for all of the funds of the District on a basis consistent with GAAP.
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Board of Directors. All appropriations lapse at year end.

The total budget for the General Fund expenditures for the year ended December 31, 2023 was \$1,062,651; there were no revisions to the budget during the year.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits and participation in local government investment pools. All cash equivalents have an original maturity date of less than three months.

Investments

Investments are stated at fair value based on quoted market values, with the exception of money market funds and external investment pools. These are stated at cost, which approximates fair value.

Receivables

In the government-wide financial statements, receivables are reported at their gross value and, when appropriate, are reduced by the estimated portion that is expected to be uncollectible. No amounts were determined to be uncollectible at December 31, 2023. Property taxes levied on January 5, 2024, based on the enforceable levied as of January 1, 2023, are identified as property taxes receivable and deferred inflows of resources.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond year end are recorded as prepaid items in the government-wide financial statements, and will be reported as expenses in the following year. These amounts are reflected as expenditures in the year paid in the governmental fund financial statements.

Hartsel Fire Protection District
Notes to Financial Statements (continued)
December 31, 2023

1. Summary of Significant Accounting Policies (continued)

Capital Assets

Capital assets, which include property and equipment, are reported in the applicable District activities in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. 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.

Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives.

Description	Estimated Lives
Building and improvements	20-40 years
Vehicles and accessories	5-10 years
Equipment	3-20 years

Compensated Absences

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, Accounting for Compensated Absences, ("GASB No. 16"). Personal leave benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services rendered and it is probable that the District will compensate the employees for the benefits earned. Upon termination of employment from the District, an employee will be compensated for all unused personal leave. The District has no liability for compensated absences at December 31, 2023.

Hartsel Fire Protection District

Notes to Financial Statements (continued)

December 31, 2023

1. Summary of Significant Accounting Policies (continued)

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments and the noncurrent portion of long-term liabilities that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within 60 days after year-end are considered to have been made with current available financial resources.

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 represents a consumption of net position that applies to a future period(s) and 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 represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Fund Balance and Net Position

In the government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets - This category groups all capital assets into one component of net position net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction, or improvements of the assets.

Restricted Net Position - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - This category represents the net position of the District, which is not restricted for any project or other purpose. A deficit will require future funding.

Hartsel Fire Protection District

Notes to Financial Statements (continued)

December 31, 2023

1. Summary of Significant Accounting Policies (continued)

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. In accordance with GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, fund balances of the governmental funds are classified as follows:

Nonspendable - amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, or the laws or regulations of other governments.

Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Directors (the "Board"). The Board is the highest level of decision making authority for the District. Commitments may be established, modified, or rescinded only through resolutions approved by the Board.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Board has the authority to assign amounts for specific purposes.

Unassigned - all other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, the District considers restricted resources to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Expenditures over Appropriations

For the year ended December 31, 2023, expenditures exceeded appropriations by \$1,525,848, which may be a violation of state statutes.

Revenue Recognition/Property Taxes

Property taxes attach an enforceable lien on property as of January 1. Taxes are usually levied in December, payable in the following year in full by April 30, or in two equal installments due on the last day of February and June 15. The county treasurer bills and

Hartsel Fire Protection District

Notes to Financial Statements (continued)

December 31, 2023

1. Summary of Significant Accounting Policies (continued)

collects property taxes for all taxing entities within the county. Property tax receipts collected by the county treasurer each month are remitted to the District by the tenth day of the subsequent month.

Property tax revenues are recognized in the government-wide financial statements in the year that the property taxes are used to fund the operations of the District.

In the fund financial statements, property taxes are recognized in the year for which they are levied provided they become available and measurable. Property tax revenues are considered available when they become due or past due and are received by the District within 60 days of the end of the fiscal year.

Pensions

The District contributes to the Statewide Defined Benefit Plan ("SWDB"). The plan is a cost-sharing multiple-employer defined benefit pension plan administered by the Fire and Police Pension Association of Colorado ("FPPA"). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the SWDB plan and additions to/deductions from the SWDB plan fiduciary net position have been determined on the same basis as they are reported by the FPPA. 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.

In addition, the District contributes to a defined benefit pension plan to provide retirement income for volunteer firefighters in recognition of their service to the District. This plan is an agent multiple-employer Public Employee Retirement System affiliated with the FPPA for the purpose of administering the plan and managing the funds of the plan for investment.

Estimates

The presentation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

Hartsel Fire Protection District

Notes to Financial Statements (continued)

December 31, 2023

2. Cash and Investments

Custodial Credit Risk – Deposits

Colorado state statutes govern the entity's deposits of cash. For deposits in excess of federally insured limits, Colorado Revised Statutes (CRS) require the depository institution to maintain collateral on deposit with an official custodian (as authorized by the State Banking Board). The Colorado Public Deposit Protection Act (PDPA) requires state regulators to certify eligible depositories for public deposit. PDPA requires the eligible depositories with public deposits in excess of the amounts insured by the Federal Deposit Insurance Corporation (FDIC) to create a single institutional collateral pool of 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 uninsured public deposits as a group. The market value of the assets in the pool must be at least 102% of the uninsured deposits. As of December 31, 2023, the District had cash deposits with a bank balance of \$209,357 and a carrying balance of \$209,357. The bank balances with the financial institutions were fully insured.

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include:

- Certificates of deposit with an original maturity in excess of three months.
- Obligations of the United States and certain U.S. government agency securities,
- Certain international agency securities,
- General obligation and revenue bonds of U.S. local government entities,
- Bankers' acceptances of certain banks,
- Commercial paper,
- Written repurchase agreements collateralized by certain authorized securities,
- Certain money market funds,
- Guaranteed investment contracts, and
- Local government investment pools.

District policy is to hold investments until maturity.

Hartsel Fire Protection District

Notes to Financial Statements (continued)

December 31, 2023

2. Cash and Investments

Custodial Credit Risk - Investments

For investments, custodial credit risk is the risk that in the event of a failure of a counter party, the District would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have a specific policy for custodial credit risk. As of December 31, 2023, the District had no investments exposed to custodial credit risk outside of its investment in the Colorado Local Government Liquid Asset Trust (the "Trust"), discussed below.

Interest Rate Risk

Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase. This limit on investments is the means of limiting exposure to fair value losses arising from increasing interest rates.

Local Government Investment Pools

At December 31, 2023, the District had invested \$57,126 in COLOTRUST, a local government investment pool. As an investment pool, the Trust operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. The Trust is exempt from registration with the Securities and Exchange Commission. The Trust offers shares in one portfolio, COLOTRUST PLUS+. The portfolio is rated AAAM by Standard and Poor's and may invest in U.S. Treasury Securities, repurchase agreements collateralized by U.S. Treasury Securities, and the highest rated commercial paper. COLOTRUST records its investments at fair value and the District records its investments in COLOTRUST using the net asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period. Wells Fargo Bank serves as custodian for the Trust's portfolios and provides services as the depository in connection with direct investments owned by the Trust. Separate financial statements can be obtained by calling (303) 864-7474 or going to www.colotrust.com.

At December 31, 2023, the District had cash and cash equivalent balances as follows:

Bank deposits	\$ 209,357
Local Government investment pool	<u>57,126</u>
	<u>\$ 266,483</u>

Hartsel Fire Protection District

Notes to Financial Statements (continued)

December 31, 2023

4. Fair Value Measurement and Application

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust offers shares in three portfolios, COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE. The three portfolios differ in the types of the investments held, but all invest in investments allowed by Colorado statutes for local governments. COLOTRUST PRIME AND COLOTRUST PLUS+ invest in securities with a weighted average maturity of 60 days or less, while COLOTRUST EDGE invests in securities with a weighted average maturity of less than five years. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. Substantially 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. These pools are not required to be, and are not, registered with the SEC.

COLOTRUST's PRIME and PLUS+ funds are rated AAAM by Standard & Poor's rating service. The COLOTRUST EDGE fund is rated AAAf/S1 by FitchRatings rating service. As of December 31, 2023, all COLOTRUST balances held by the District were invested in COLOTRUST PLUS+. COLOTRUST records its investments at net asset value and the District records its investment in COLOTRUST at fair value. There are no unfunded commitments, the redemption frequency is daily for COLOTRUST PRIME and COLOTRUST PLUS+, and weekly for COLOTRUST EDGE. There is no redemption notice period.

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Hartsel Fire Protection District
Notes to Financial Statements (continued)
December 31, 2023

3. Capital Assets

The following table presents capital assets activity of the District for the year ended December 31, 2023:

	Balance December 31, 2022	Transfers/ Additions	Transfers/ Retirements	Balance December 31, 2023
Capital assets, not being depreciated:				
Construction in Progress	\$ -	\$ 1,756,100	\$ (325,443)	\$ 1,430,657
Land	<u>129,500</u>	<u>-</u>	<u>-</u>	<u>129,500</u>
Total capital assets, not being depreciated	<u>129,500</u>	<u>1,756,100</u>	<u>(325,443)</u>	<u>1,560,157</u>
Capital assets, being depreciated:				
Buildings and improvements	1,133,160	8,736	-	1,141,896
Equipment	478,602	287,142	-	765,744
Vehicles and accessories	<u>1,502,134</u>	<u>29,565</u>	<u>(127,484)</u>	<u>1,404,215</u>
Total capital assets, being depreciated	<u>3,113,896</u>	<u>325,443</u>	<u>(127,484)</u>	<u>3,311,855</u>
Less accumulated depreciation for:				
Buildings and improvements	(435,484)	(33,112)	-	(468,596)
Equipment	(290,837)	(26,442)	127,484	(189,795)
Firefighting vehicles	<u>(1,090,310)</u>	<u>(59,331)</u>	<u>-</u>	<u>(1,149,641)</u>
Total accumulated depreciation	<u>(1,816,631)</u>	<u>(118,885)</u>	<u>127,484</u>	<u>(1,808,032)</u>
Total capital assets, being depreciated, net	<u>1,297,265</u>	<u>206,558</u>	<u>-</u>	<u>1,503,823</u>
Capital assets, net	<u>\$ 1,426,765</u>	<u>\$ 1,962,659</u>	<u>\$ (325,443)</u>	<u>\$ 3,063,980</u>

Depreciation for governmental activities capital assets in the amount of \$118,885 has been allocated to the Public Safety function.

Hartsel Fire Protection District
Notes to Financial Statements (continued)
December 31, 2023

4. Long – Term Obligations

The following is an analysis of the changes in long-term obligations of the lease-purchase liability for the year ended December 31, 2023:

	Balance			Balance	Due
	December 31,	Additions	Deletions	December 31,	Within
	2022			2023	One Year
Leases Purchase Agreement	\$ -	\$ 2,500,000	\$ -	\$ 2,500,000	\$ 7,622
Total long-term obligations	<u>\$ -</u>	<u>\$ 2,500,000</u>	<u>\$ -</u>	<u>\$ 2,500,000</u>	<u>\$ 7,622</u>

A description of long-term obligations outstanding at December 31, 2023 is as follows:

Lease-Purchase Agreements

During 2023, the District entered into a lease-purchase agreement for the purchase of Fire Trucks including Type I, Type II and a Tender Truck Fire Truck valued at \$2,500,000. The agreement provides for semi-annual principal and interest payments of approximately \$85,500 to be paid through November 2043 with an interest rate of 6.50%.

Payments due under the terms of the lease-purchase are as follows:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 7,622	\$ 162,378	\$ 170,000
2025	8,125	161,875	170,000
2026	8,662	161,338	170,000
2027	9,234	160,766	170,000
2028	9,844	160,156	170,000
2029-2043	<u>2,456,513</u>	<u>1,552,794</u>	<u>4,009,307</u>
	<u>\$ 2,500,000</u>	<u>\$ 2,359,307</u>	<u>\$ 4,859,307</u>

Debt Authorization

At December 31, 2023, the District had no authorized but unissued debt.

Hartsel Fire Protection District

Notes to Financial Statements (continued)

December 31, 2023

5. Risk Management

The District is exposed to various risks of loss 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 covering specific and general risks of loss, including worker's compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage.

6. Volunteer Firefighter's Pension Plan

Plan description. The District has established the Volunteer Firefighters' Pension Plan (the "Plan"). As of December 31, 2023, the Plan had 22 retirees and beneficiaries, 3 inactive, nonretired members, and 9 active members.

The Fire & Police Pension Association (FPPA) administers an agent multiple-employer Public Employee Retirement System (PERS). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available annual comprehensive financial report that can be obtained at FPPAco.org. Once in the site, locate the site map at the bottom of the web page and you will find the 'Annual Report' link.

Benefits provided. Any firefighter who has both attained the age of 50 and completed 20 years of active service shall be eligible for a monthly pension. Pro rata pensions would apply to volunteers who reached 50 years of age and had between 10 and 20 years of service. A firefighter, who is disabled in the line of duty and whose disability is of such character and magnitude as to deprive the firefighter of earning capacity which extends beyond one year, shall be compensated in an amount determined by the Pension Board. The Plan also provides for a lump-sum burial benefit upon the death of an active or retired firefighter. Spouses of deceased firefighters may receive benefits as authorized by State statute.

Funding Policy. Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2021 determined the contribution amounts for 2022 and 2023.

The District contributed \$49,681 and the State of Colorado contributed \$9,000 to the plan for the year ended December 31, 2023.

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

At December 31, 2023, the District reported a net pension liability of \$338,702, the liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023, and a measurement date of December 31, 2022. The measurement date is within one year of the plan sponsor's fiscal year end of December 31, 2023 and may be used

Hartsel Fire Protection District
Notes to Financial Statements (continued)
December 31, 2023

6. Volunteer Firefighter’s Pension Plan (continued)

for December 31, 2023 reporting purposes.

For the year ended December 31, 2023, the District recognized pension expense related to this plan of \$31,642. At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	\$ -	\$ 2,721
Change in assumptions	2,651	-
Net difference between projected and actual investment earnings on pension plan investments	45,879	-
District contributions subsequent to the measurement date	49,681	-
Total	\$ 98,211	\$ 2,721

The \$49,681 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. 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 ending December 31,		
2024	\$	(2,795)
2025		6,682
2026		15,042
2027		26,880
	\$	45,809

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Hartsel Fire Protection District
Notes to Financial Statements (continued)
December 31, 2023

6. Volunteer Firefighter’s Pension Plan (continued)

Actuarial assumptions: The actuarial assumptions are associated with the Actuarially Determined Contribution for the Fiscal Year Ending December 31, 2022. The actuarial assumptions were changed for the Actuarial Valuation as of January 1, 2023 and as such, the Total Pension Liability was measured using those assumptions as follows:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar Open
Remaining Amortization Period	20 years
Asset valuation Period	5-year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	7.00%
Retirement Age	50% per year of eligibility until 100% at age 65.
Mortality	Pre-retirement: 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality. Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years. Disabled: 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the sale for all years.

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 long-term expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 4.05% (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%.

Hartsel Fire Protection District
Notes to Financial Statements (continued)
December 31, 2023

6. Volunteer Firefighter’s Pension Plan (continued)

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. Best estimates of arithmetic nominal rates of return for each major asset class included in the Fund’s target asset allocation as of December 31, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return
Cash	1.00%	3.92%
Fixed Income-Rates	10.00%	5.45%
Fixed Income-Credit	5.00%	6.90%
Absolute Return	9.00%	6.49%
Long Short	6.00%	7.47%
Global Equity	35.00%	8.93%
Private Markets	34.00%	10.31%
Total	100.00%	

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

	1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
District’s net pension liability	\$452,066	\$338,702	\$243,041

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Hartsel Fire Protection District
Notes to Financial Statements (continued)
December 31, 2023

7. State of Colorado Fire and Police Pension Association – Defined Benefit Plan

Plan Description: The Statewide Defined Benefit Plan (SWDB) is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided that they are not already covered by a statutorily exempt plan. As of August 5, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Plan became effective January 1, 1980. As of January 1, 2023, Statewide Defined Benefit Plan and the Statewide Hybrid Plan have merged to form the Statewide Retirement Plan (SRP) and the Statewide Defined Benefit Plan becomes the Defined Benefit Component of the Statewide Retirement Plan.

The SWDB assets are included in the Fire & Police Members' Benefit Investment Fund and assets. Assets from the Deferred Retirement Option Plan (DROP), Money Purchase Component, and Separate Retirement Account assets from eligible retired members are in the Fire & Police Members' Self-Directed Investment Fund.

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

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

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefit adjustments paid to retired members are evaluated annually and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon

Hartsel Fire Protection District
Notes to Financial Statements (continued)
December 31, 2023

6. State of Colorado Fire and Police Pension Association – Defined Benefit Plan (continued)

termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

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

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates increased 0.5 percent annual through 2022 to a total of 12 percent of pensionable earnings. Employer contributions increased 0.5 percent annually beginning in 2021 through 2030 to a total of 13.0 percent of pensionable earnings. In 2022, members of the SWDB plan and their employers were contributing at the rate of 12.0 percent and 9.0 percent, respectively, of pensionable earnings for a total contribution rate of 21.0 percent.

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

The contribution rate for members and employers of affiliated social security employers is 6.0 percent and 4.5 percent, respectively, of pensionable earnings for a total contribution rate of 10.5 percent in 2021. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6.0 percent of pensionable earnings. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

At December 31, 2023, the District reported a liability of \$11,224 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022 is based upon the January 1, 2023 actuarial valuation. The actuarially determined contributions as of December 31, 2022 are based upon the January 1, 2022 actuarial valuation.

Hartsel Fire Protection District
Notes to Financial Statements (continued)
December 31, 2023

7. State of Colorado Fire and Police Pension Association – Defined Benefit Plan (continued)

The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2022, the District's proportion was approximately 0.0126 percent.

Actuarial assumptions: The actuarial valuations for the Statewide Benefit Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2022. The valuations used the following actuarial assumption and other inputs:

	Actuarial Assumptions
Actuarial Valuation Date	January 1, 2023- Total Pension Liability January 1, 2022- Actuarial Determined Contributions
Actuarial Method	Entry Age Normal
Long-Term Investment Rate of Return	7.0%
Projected Salary Increases	4.25% - 11.25%
Cost of Living Adjustments	0%
Includes Inflation at	2.5%

For determining the total pension liability, 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 preretirement 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.

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

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2022 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Company, based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2023. The

Hartsel Fire Protection District
Notes to Financial Statements (continued)
December 31, 2023

7. State of Colorado Fire and Police Pension Association – Defined Benefit Plan (continued)

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund’s target asset allocation as of December 31, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	35.00%	8.93%
Equity Long/Short	6.00%	7.47%
Private Markets	34.00%	10.31%
Fixed Income-Rates	10.00%	5.45%
Fixed Income-Credit	5.00%	6.90%
Absolute Return	9.00%	6.49%
Cash	1.00%	3.92%
Total	100.00%	

Discount rate: The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board’s funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan’s fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan’s projected fiduciary net position is not sufficient to pay benefits).

Hartsel Fire Protection District
Notes to Financial Statements (continued)
December 31, 2023

7. State of Colorado Fire and Police Pension Association – Defined Benefit Plan (continued)

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 4.05 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: Regarding the sensitivity of the net pension liability/(asset) to changes in the single discount rate, the following presents the plan’s net pension liability/(asset), calculated using a single discount rate of 7.00 percent, as well as what the plan’s net pension liability/(asset) would be if it were calculated using a single discount rate that is one percent lower or one percent higher:

	Projected Net Pension (Asset) Liability
1% Decrease to 6%	\$ 77,374
Single Discount Rate	\$ 11,224
1% Increase to 8%	\$ (43,570)

For the year ended December 31, 2023, the District recognized pension expense related to this plan of \$9,277. At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	\$ 24,295	\$ 1,378
Change in assumptions	14,379	-
Net difference between projected and actual investment earnings on pension plan investments	25,399	-
Change in proportionate shares of contributions	36	-
District contributions subsequent to the measurement date	12,568	-
Total	\$ 76,677	\$ 1,378

The \$12,568 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024.

Hartsel Fire Protection District
Notes to Financial Statements (continued)
December 31, 2023

7. State of Colorado Fire and Police Pension Association – Defined Benefit Plan (continued)

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 ending December 31,	
2024	\$ 6,298
2025	11,095
2026	15,506
2027	21,314
2028	4,717
Thereafter	3,801
	<u>\$ 62,731</u>

The average of the expected remaining service lives of all members in the plan, including active and inactive members, is 8.7704 years determined as of the beginning of the December 31, 2022 measurement period.

Subsequent Event: Statewide Retirement Plan

During 2022, House Bill 22-1034 was signed into law. This legislation combines the assets and liabilities of the Statewide Defined Benefit Plan and Statewide Hybrid Plan to form the Statewide Retirement Plan effective January 1, 2023. The Statewide Retirement Plan became the Defined Benefit Component of the Statewide Retirement Plan.

8. Deferred Compensation Plan

Fire protection employees of the District who are members of the FPPA Statewide Defined Benefit Plan may voluntarily contribute to the FPPA 457 Deferred Compensation Plan (457 Plan), an Internal Revenue Code Section 457 defined contribution plan administered by the FPPA. 457 Plan participation is voluntary, and contributions to the 457 Plan are separate from contributions made to other FPPA plans. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for the 457 Plan. The report may be obtained at www.fppaco.org. During 2023, the District's fire protection employer contributions to the 457 Plan were \$3,969.

9. TABOR Compliance

In November 1992, Colorado voters passed an amendment (the "Amendment" or "TABOR") to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local districts. The limits on property taxes, revenue, and "fiscal year

Hartsel Fire Protection District
Notes to Financial Statements (continued)
December 31, 2023

9. TABOR Compliance (continued)

spending" include allowable annual increases tied to inflation and local growth in construction valuation. Fiscal year spending, as defined by the Amendment, excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves (balances). The Amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the "spending limit" must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate.

The Amendment also requires local districts to establish emergency reserves to be used for declared only emergencies, as defined by the Amendment, excluding economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The District has restricted \$23,924 for this purpose.

On May 5, 1998, the voting electors voted to allow the Hartsel Fire Protection District to retain all revenues from all sources in 1998 and subsequent years, without imposing any new taxes or increases in tax rates, and to spend the same as voter-approved revenue change for each year without regard to and an exception to the expenditure, revenue-raising or other limitations contained within Article X, Section 20 of the Colorado Constitution, Section 29-1-301, CRS, or any other law. This effectively removed all revenue and expenditure limitations imposed by TABOR.

The District believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions will require judicial interpretation.

Hartsel Fire Protection District

Required Supplementary Information

Hartsel Fire Protection District
Statement of Revenues, Expenditures
and Change in Fund Balance—Actual and Budget
General Fund
For the year ended December 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Taxes	\$ 653,992	\$ 668,611	\$ 14,619
Charges for services	34,000	31,093	(2,907)
Grants	3,000	11,067	8,067
Investment income	1,200	9,076	7,876
Insurance Proceeds	-	40,210	40,210
Other income	<u>15,000</u>	<u>37,399</u>	<u>22,399</u>
Total Revenues	<u>707,192</u>	<u>797,456</u>	<u>90,264</u>
Expenditures:			
Treasurer's fees	15,000	17,911	(2,911)
Administration	387,100	383,178	3,922
Firefighting and prevention	145,500	123,579	21,921
Communications	17,500	23,040	(5,540)
Equipment repairs and maintenance	88,500	190,941	(102,441)
Station repairs and maintenance	40,750	93,750	(53,000)
Capital outlay	<u>368,301</u>	<u>1,756,100</u>	<u>(1,387,799)</u>
Total Expenditures	<u>1,062,651</u>	<u>2,588,499</u>	<u>(1,525,848)</u>
Excess Revenue Over (Under)			
Expenditures	<u>(355,459)</u>	<u>(1,791,043)</u>	<u>(1,435,584)</u>
Other Financing Sources (Uses)			
Lease Purchase Proceeds	<u>-</u>	<u>2,500,000</u>	<u>2,500,000</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>2,500,000</u>	<u>2,500,000</u>
Excess of Revenues and Other Financing Sources			
Over Expenditures and Other Financing Uses	(355,459)	708,957	1,064,416
Fund Balance—Beginning of year	<u>355,459</u>	<u>306,467</u>	<u>(48,992)</u>
Fund Balance—End of Year	<u>\$ -</u>	<u>\$ 1,015,424</u>	<u>\$1,015,424</u>

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

Hartsel Fire Protection District
Required Supplementary Information
Schedules of Employer Contributions
As of Measurement Period Ended

Statewide Defined Benefit Plan

<u>Year Ending</u>	<u>Actuarially Required Contributions</u>	<u>Actual Employer Contributions</u>	<u>Contribution Excess/(Deficiency)</u>	<u>Actual Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/2014	\$ 4,320	\$ 4,320	\$ -	\$ 54,000	8.0%
12/31/2015	\$ 5,456	\$ 5,456	\$ -	\$ 68,200	8.0%
12/31/2016	\$ 4,183	\$ 4,183	\$ -	\$ 52,287	8.0%
12/31/2017	\$ 6,734	\$ 6,734	\$ -	\$ 113,473	5.9%
12/31/2018	\$ 6,734	\$ 6,734	\$ -	\$ 113,473	5.9%
12/31/2019	\$ 9,078	\$ 9,078	\$ -	\$ 113,473	8.0%
12/31/2020	\$ 6,401	\$ 6,401	\$ -	\$ 80,012	8.0%
12/31/2021	\$ 6,401	\$ 6,401	\$ -	\$ 75,676	8.5%
12/31/2022	\$ 9,901	\$ 9,901	\$ -	\$ 110,357	9.0%
12/31/2023	\$ 12,568	\$ 12,568	\$ -	\$ 132,296	9.5%

Volunteer Firefighter's Pension Plan

<u>Year Ending</u>	<u>Actuarially Required Contributions</u>	<u>Actual Employer Contributions</u>	<u>Contribution Excess/(Deficiency)</u>	<u>Actual Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/2014	\$ 72,718	\$ 65,700	\$ (7,018)	N/A**	N/A**
12/31/2015	\$ 72,718	\$ 65,700	\$ (7,018)	N/A**	N/A**
12/31/2016	\$ 58,320	\$ 67,320	\$ 9,000	N/A**	N/A**
12/31/2017	\$ 58,320	\$ 67,320	\$ 9,000	N/A**	N/A**
12/31/2018	\$ 73,406	\$ 58,320	\$ (15,086)	N/A**	N/A**
12/31/2019	\$ 73,406	\$ 78,865	\$ 5,459	N/A**	N/A**
12/31/2020	\$ 70,524	\$ 63,839	\$ (6,685)	N/A**	N/A**
12/31/2021	\$ 70,524	\$ 63,630	\$ (6,894)	N/A**	N/A**
12/31/2022	\$ 70,524	\$ 82,630	\$ 12,106	N/A**	N/A**
12/31/2023	\$ 49,681	\$ 58,681	\$ 9,000	N/A**	N/A**

** Ratio not applicable (N/A) since payroll is zero due to the plan covering volunteers.

Hartsel Fire Protection District
Required Supplementary Information
Schedules of Proportionate Share of the Net Pension Liability/(Asset) and Related Ratios
Statewide Defined Benefit Plan
December 31, 2023

<u>Year Ending*</u>	<u>Proportion of the</u>		<u>Actual</u>	<u>Net Pension</u>		<u>Fiduciary Net Position</u>
	<u>Net Pension</u>	<u>Proportionate Share</u>		<u>Liability/(Asset)</u>	<u>Liability/(Asset)</u>	
	<u>Liability/(Asset)</u>	<u>of the Net Pension</u>	<u>Covered</u>	<u>of Covered Payroll</u>	<u>of Total Pension</u>	<u>Liability/(Asset)</u>
12/31/2014	0.00778%	\$ (11,276)	\$ 49,222	(22.91%)	105.8%	
12/31/2015	0.01201%	\$ (13,551)	\$ 54,118	(25.04%)	106.8%	
12/31/2016	0.01407%	(248)	\$ 52,287	(.47%)	100.1%	
12/31/2017	0.02200%	\$ 3,692	\$ 68,825	5.36%	98.2%	
12/31/2018	0.01439%	\$ (20,703)	\$ 52,292	(39.59%)	106.3%	
12/31/2019	0.01694%	\$ 21,417	\$ 113,473	18.87%	95.2%	
12/31/2020	0.01587%	\$ (8,977)	\$ 113,473	(7.91%)	95.2%	
12/31/2021	0.00942%	\$ (20,454)	\$ 80,012	(25.56%)	106.7%	
12/31/2022	0.00935%	\$ 50,695	\$ 75,676	66.99%	116.2%	
12/31/2023	0.01264%	\$ (11,224)	\$ 110,357	(10.17%)	97.6%	

* The data provided in this schedule is based as of the measurement date of the District's net pension liability, which is as of the beginning of the year.

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

Hartsel Fire Protection District
Required Supplementary Information
Volunteer Firefighter's Pension Plan
Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Years

Measurement period ended December 31,	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability									
Service cost	\$ 10,400	\$ 10,400	\$ 15,136	\$ 15,136	\$ 21,752	\$ 21,752	\$ 17,065	\$ 17,065	\$ 28,391
Interest	76,644	77,176	84,363	84,058	89,582	88,031	80,179	79,161	78,662
Difference between expected and actual experience	(14,774)	-	(106,271)	-	(56,573)	-	60,651	-	(17,895)
Changes of assumptions	14,393	-	-	-	48,281	-	29,708	-	-
Benefit Payments	(97,494)	(92,936)	(94,185)	(95,485)	(91,260)	(87,035)	(83,460)	(81,851)	(72,211)
Net change in total pension liability	(10,831)	(5,360)	(100,957)	3,709	11,782	22,748	104,143	14,375	16,947
Total pension liability - Beginning	1,137,722	1,143,082	1,244,039	1,240,330	1,228,548	1,205,800	1,101,657	1,087,282	1,070,335
Total pension liability - Ending (a)	1,126,891	1,137,722	1,143,082	1,244,039	1,240,330	1,228,548	1,205,800	1,101,657	1,087,282
Plan fiduciary net position									
Employer contributions	49,681	64,630	63,839	60,865	58,320	58,320	58,320	56,700	56,700
Employee contributions	-	-	-	-	-	-	-	-	-
Net investment income	(72,486)	115,254	93,258	94,075	(859)	92,886	32,341	11,506	40,637
Benefit payments	(97,494)	(92,936)	(94,185)	(95,485)	(91,260)	(87,035)	(83,460)	(81,851)	(72,211)
Administrative expense	(7,779)	(7,480)	(6,403)	(8,367)	(7,744)	(7,866)	(1,246)	(3,330)	(1,315)
State of Colorado Supplemental Discretionary Payment	9,000	18,000	-	18,000	-	9,000	9,000	9,000	9,000
Net change in plan fiduciary net position	(119,078)	97,468	56,509	69,088	(41,543)	65,305	14,955	(7,975)	32,811
Plan fiduciary net position - beginning	907,267	809,799	753,290	684,202	725,745	660,440	645,485	653,460	620,649
Plan fiduciary net position - end (b)	788,189	907,267	809,799	753,290	684,202	725,745	660,440	645,485	653,460
District's net pension liability - ending (a)-(b)	338,702	230,455	333,283	490,749	556,128	502,803	545,360	456,172	433,822
Plan fiduciary net position as a percentage of the total pension liability	69.94%	79.74%	70.84%	60.55%	55.16%	59.07%	54.77%	58.59%	60.10%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

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

Hartsel Fire Protection District

Other Supplementary Information

Hartsel Fire Protection District
SUMMARY OF ASSESSED VALUATION,
MILL LEVY AND PROPERTY TAXES COLLECTED
December 31, 2023

<u>Year Ended December 31,</u>	<u>Prior Year Assessed Valuation for Current Year Tax Levy</u>	<u>Mills Levied Operations</u>	<u>Total Property Taxes</u>		<u>Percent Collected to Levied</u>
			<u>Levied</u>	<u>Collected</u>	
2014	\$ 56,720,150	7.449	\$ 422,508	\$ 417,444	98.80%
2015	\$ 56,673,420	7.449	\$ 422,160	\$ 435,213	103.09%
2016	\$ 55,573,210	7.449	\$ 413,965	\$ 412,810	99.72%
2017	\$ 56,737,150	7.449	\$ 422,635	\$ 418,572	99.04%
2018	\$ 59,953,970	7.449	\$ 446,597	\$ 443,960	99.41%
2019	\$ 60,727,880	7.449	\$ 453,383	\$ 449,110	99.06%
2020	\$ 63,841,840	7.449	\$ 503,343	\$ 469,528	93.28%
2021	\$ 64,615,570	7.449	\$ 481,321	\$ 481,115	99.96%
2022	\$ 81,292,550	7.449	\$ 605,548	\$ 604,472	99.82%
2023	\$ 80,815,233	7.449	\$ 601,992	\$ 598,813	99.47%
Estimated for the year ending December 31, 2024	\$ 131,808,584	7.449	\$ 981,842		

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