

NORTH FORK AMBULANCE HEALTH SERVICE DISTRICT

Financial Statements and
Report of Independent Auditor
For the Year Ended December 31, 2020

NORTH FORK AMBULANCE HEALTH SERVICE DISTRICT

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December 31, 2020

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Management's Discussion and Analysis
North Fork EMS District
Fiscal Year 2020

The discussion and analysis are designed to provide an analysis of the District's financial condition and operating results and to inform the reader on District's financial issues and activities. Please read it in conjunction with the District's financial statements that follow the Management's Discussion and Analysis.

On November 6, 2018, voters approved the establishment of a special district for the North Fork area, which includes Paonia, Hotchkiss, and Crawford Colorado. The ambulance service is responsible for approximately 1,500 square miles across three counties.

USING THIS ANNUAL REPORT

The financial statements included in this annual report are those of a special-purpose government engaged only in a government-type activity. The following statements and schedules are included:

- Statement of Net Position and governmental fund balance sheet – reports the District's current financial resources (short-term spendable resources with capital assets and short and long-term obligations). (See page 6)
- Statement of revenue, expenditures, and changes in fund balances – governmental and statement of activities – reports the District operating and non-operating revenues by major source along with operating and non-operating expenditures. (See page 8)
- Statement of revenues, expenditures, and change in fund balance actual and budget – compares the District's budgeted and actual revenues and expenditures for the year ended December 31, 2020 (See pages 17)

STATEMENT OF NET POSITION

The following table shows the condensed statement of Net Position for the past two years.

Years ended December 31,	2020	2019
Current assets	\$ 1,724,991	\$ 1,313,149
Capital assets (net of depreciation)	649,674	486,434
Total assets	<u>2,374,665</u>	<u>1,799,583</u>
Current liabilities	<u>78,844</u>	<u>22,809</u>
Long-term Liabilities:		
Compensated Absences	<u>17,507</u>	<u>2,095</u>
Deferred Inflows:		
Property Taxes	<u>933,194</u>	<u>902,711</u>
Net Position:		
Invested in capital assets	649,674	486,434
Restricted for Tabor emergency	48,500	40,159
Nonspendable	13,648	12,562
Committed	163,000	-
Unrestricted	470,297	332,813
Total Net Position	<u>\$ 1,345,119</u>	<u>\$ 871,968</u>

Management's Discussion and Analysis
North Fork EMS District
Fiscal Year 2020

The net position of the District increased \$473,151 in 2020. This is large part due to increase in cash and fixed assets. The District's total assets were \$2,374,665 in 2020. The District's total liabilities were \$96,351 in 2020.

REVIEW OF REVENUES

Years ended December 31,	<u>2020</u>	<u>2019</u>
Operating revenue		
Charges for services	\$ 394,749	\$ 356,963
Total	<u>394,749</u>	<u>356,963</u>
Non-operating revenue		
Specific ownership tax	127,070	122,682
General property tax	918,368	895,424
Interest income	720	415
Other revenue	4,670	2,062
Grants	161,294	285,957
Total	<u>1,212,122</u>	<u>1,306,540</u>
Total revenue	<u>\$ 1,606,871</u>	<u>\$ 1,663,503</u>

The District's total revenues increase \$56,632 from \$1,663,503 in 2019 to \$1,720,135 in 2020. The major reason for this was a decrease in grant of \$124,663.

REVIEW OF EXPENDITURES

Years ended December 31,	<u>2020</u>	<u>2019</u>
Operating expenditures:		
Ambulance operations	\$ 1,296,960	\$ 1,277,969
Depreciation	78,191	24,375
Loss on disposal of assets	25,501	-
Capital outlay	(266,932)	(510,809)
Total Expenditures	<u>\$ 1,133,720</u>	<u>\$ 791,535</u>

The major capital asset purchases for 2020, including reclassification from construction in process were as follows:

Land	\$ 5,236
2-Ambulances	131,726
Equipment	17,647
Paramed vehicle	28,000
Projects in process	57,875
Building	<u>28,947</u>
Total	<u>\$ 364,706</u>

Management's Discussion and Analysis
North Fork EMS District
Fiscal Year 2020

ECONOMIC AND OTHER FACTORS

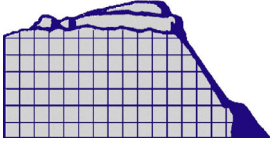
Although the North Fork valley economy had experienced a decline due to a decrease in mining operations over the last several years, in 2020, the local economy showed growth in the number of people moving to the area to work remotely and a growing emphasis on sustainable agriculture. The valley also experienced a recovering housing market, growing tourism, and a comparatively reasonable cost of living to that of the Front Range of Colorado. The number of residents over the age of 65 remains nearly twice the state average, which increases the use of the ambulance services.

Due to the low unemployment rate and the tightening local availability of EMS workers, the District made several changes in labor rates and full-time positions to keep serving the community.

The financial impact of the COVID-19 pandemic on the agency was minimal. Initially the number of calls was down, but the rest of the year call volume was up, and billing revenue increased.

FINANCIAL CONTACT

The District's financial statements are designed to present users (service users, taxpayers, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have any questions concerning this report or need additional financial information, please contact Kathy Steckel, District Manager, North Fork EMS District, P O Box 687, Hotchkiss, CO 81419, or call the Office at 970-872-9111.



Paul D. Miller CPA, LLC.

Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
North Fork Ambulance Health Service District
Hotchkiss, CO

I have audited the accompanying financial statements of the governmental activities and the major fund of the North Fork Ambulance Health Service District, State of Colorado (the District) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility 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.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my 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 the North Fork Ambulance Health Service District, State of Colorado, as of December 31, 2020, 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.

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Paul D. Miller, C.P.A.
pauldmiller@live.com

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1-3 and budgetary comparison information on pages 17 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I 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.

Paul D. Miller, CPA, LLC

Grand Junction, Colorado

April 23, 2021

North Fork Ambulance Health Service District
Statement of Net Position and Governmental Fund Balance Sheet
December 31, 2020

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash and cash equivalents	\$ 714,264	\$ -	\$ 714,264
Accounts receivable rescue(Net of allowance of 46,840)	52,814	-	52,814
Property taxes receivable	933,194	-	933,194
Other receivable	11,071	-	11,071
Prepaid expenses	13,648	-	13,648
Capital Assets (net of accumulated depreciation):			
Land	-	42,736	42,736
Building and improvements	-	112,630	112,630
Rescue vehicles	-	407,939	407,939
Equipment	-	16,356	16,356
Rescue equipment	-	12,138	12,138
Equipment in process	-	57,875	57,875
TOTAL ASSETS	<u>\$ 1,724,991</u>	<u>\$ 649,674</u>	<u>\$ 2,374,665</u>
LIABILITIES			
Accounts payable	\$ 29,758	-	29,758
Accrued payroll	12,548	-	12,548
Accrued expenses	36,539	-	36,539
Long-term liabilities:			
Compensated absences	17,507	-	17,507
TOTAL LIABILITIES	<u>96,352</u>	<u>-</u>	<u>96,352</u>
DEFERRED INFLOWS			
Property Taxes	933,194	-	933,194
FUND BALANCES AND NET POSITION			
Restricted-Emergency reserve - Tabor	48,500	(48,500)	-
Non-spendable	13,648	(13,648)	-
Committed-Capital Asset	163,000	(163,000)	-
Unassigned	470,297	(470,297)	-
TOTAL FUND BALANCES	<u>695,445</u>	<u>(695,445)</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,724,991</u>		
NET POSITION			
Invested in capital assets, net of related debt	\$ -	649,674	649,674
Restricted for:			
Tabor emergency	-	48,500	48,500
Unrestricted	-	646,945	646,945
TOTAL NET POSITION	<u>\$ -</u>	<u>\$ 1,345,119</u>	<u>\$ 1,345,119</u>

The notes to the financial statement are an integral part of this statement.

North Fork Ambulance Health Service District
Statement of Net Position and Governmental Fund Balance Sheet
December 31, 2020

Adjustments to reconcile the governmental fund balance sheet to the statement of Net Position are as follows:

Fund balance per general fund balance sheet	\$ 695,445
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	649,674
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Net Position for governmental activities	<u><u>\$ 1,345,119</u></u>
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The notes to the financial statement are an integral part of this statement.

North Fork Ambulance Health Service District
Statement of Revenue, Expenditures, and Change in Fund Balances-Governmental
and Statement of Activities
For the Year Ended December 31, 2020

	General Fund	Adjustments (See Page 10)	Statement of Activities
EXPENDITURES/EXPENSES			
EMS operations	\$ 1,030,028	\$ -	\$ 1,030,028
Capital outlay	266,932	(266,932)	-
Loss disposal of capital assets	-	25,501	25,501
Depreciation	-	78,191	78,191
Total expenditures/expenses:	<u>1,296,960</u>	<u>(163,240)</u>	<u>1,133,720</u>
PROGRAM REVENUES			
Charges for services	394,749	-	394,749
Net program expenses	<u>(902,211)</u>	<u>(163,240)</u>	<u>(738,971)</u>
GENERAL REVENUES			
Property taxes	918,368	-	918,368
Specific ownership	127,070	-	127,070
Interest income	720	-	720
Grant income	161,294	-	161,294
Miscellaneous income	4,670	-	4,670
Total general revenues	<u>1,212,122</u>	<u>-</u>	<u>1,212,122</u>
Excess of (expenditures) over revenues:	309,911	163,240	
Change in Net Position			473,151
FUND BALANCE/NET POSITION			
Beginning of the year	385,534	486,434	871,968
End of the year	<u>\$ 695,445</u>	<u>\$ 649,674</u>	<u>\$ 1,345,119</u>

The notes to the financial statement are an integral part of this statement

North Fork Ambulance Health Service Distric
 Reconciliation of the Statement of Revenues Expenditures,
 and Change in the Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Year Ended December 31, 2020

Amounts reported for the governmental activities in the statement of activities (page 9) are different because

Excess of expenditures over revenues - general funds (page 8)	<u>\$ 309,911</u>
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Governmental funds report capital outlay 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 outlay	266,932
Loss on disposal of capital assets	(25,501)
Depreciation	<u>(78,191)</u>
	<u>163,240</u>

Change in Net Position of governmental activities (page 9)	<u><u>\$ 473,151</u></u>
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The notes to the financial statement are an integral part of this statement

NORTH FORK AMBULANCE HEALTH SERVICE DISTRICT

Summary of Significant Accounting Policies

December 31, 2020

The North Fork Ambulance Health Service District is a special service district governed pursuant to provisions of the Colorado Special District Act. The District was established to provide ambulance services within and surrounding the area of Paonia, Hotchkiss, and Crawford, Colorado. The District was formed by approval of voters on November 6, 2018. The District's service area covers approximately 1,500 square miles.

The District operates under a five-member Board of Directors elected by the voters of the District. The District's financial statements include the accounts and operations of all the District's functions.

Financial Reporting Entity

The North Fork Ambulance Health Service District is a special district as defined by Colorado Statutes and is governed by an elected board of directors. The Board of Directors has oversight responsibility and control over all activities within its boundaries. The board is not included in any other governmental "reporting entity" as defined by the GASB pronouncement, since board members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of Net Position and statement of Activities) report information on all the non-fiduciary activities of the primary government and its component units.

Governmental activities, which normally are supported by taxes, are reported separately from business-type activities, which rely to a significant extent on fees and user charges for support. Likewise, the *primary government is reported separately from certain legally separate component units* for which the primary government is financially accountable. The District has no business-type activities or component units.

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 the specific function or segment. *Program revenues* include 1) 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. Taxes and other items not properly included among program revenues are reported as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The District has only one governmental fund, the *General Fund*.

A. Risk of Loss

The District is exposed to various risk of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the District carries commercial insurance coverage for vehicles, commercial property, commercial umbrella, commercial general liability, and management liability through the Volunteer Firemen Insurance Services.

NORTH FORK AMBULANCE HEALTH SERVICE DISTRICT

Summary of Significant Accounting Policies

December 31, 2020

B. Capital Assets

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental type fund.

All capital assets are valued at historical cost or estimated historical costs if actual historical cost is not available. The assets have a useful life of 2 to 40 years and are depreciated on the straight-line method. It is the District's policy to capitalize individual items costing \$2,500 or more.

The District has no restricted assets.

C. 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 the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as eligibility requirements imposed by the provider have been met.

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. The District considers revenues to be available if they are collectible within 120 days except for property taxes which are considered available if they are collectible within 60 days after year-end. Property taxes, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. 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 and claims and judgments, are recorded when payment is due.

The government reports the following major governmental fund:

The *General Fund* is the District's operating fund. It accounts for all financial resources of the government. Additionally, the District reports the following fund type:

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

NORTH FORK AMBULANCE HEALTH SERVICE DISTRICT

Summary of Significant Accounting Policies

December 31, 2020

D. Budgets and Budgetary Accounting

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The budget is prepared on the same basis as that of the fund financial statements.

The details of the budget calendar are outlined below:

- | | | |
|-----------------------------|---|--|
| October 15 | – | Deadline for Budget Officer to submit proposed budget to the government board. Governing body must publish "Notice of Budget" upon receiving proposed budget. |
| December 15 | – | Deadline for certification of mil levy to the Board of County Commissioners. |
| December 22 | – | Deadline for Board of County Commissioners to levy taxes and to certify the levies To the Assessor. |
| December 31 | – | Statutory deadline for local governing body to adopt budget. A certified copy of the adopted budget must be sent to the Division of Local Government within 30 days of adoption. |
| On or before
December 31 | – | The District shall enact an ordinance appropriating the budget for the ensuing year. |

E. Compensated Absences

The District has adopted a policy addressing the compensated absences for full time employees only. A summary of that policy follows.

Vacation/Sick Leave (PTO)

The District's policy provides a full-time employee after completion of 180 days of employment. PTO for 24-hour shift full-time employees range from 1 24-hr shift on up to one year of service to 17.5 24 hour shifts for 25 plus years of service. No more than twice the annual PTO accrual rate may be accumulated.

PTO for 8-hour day full-time employees range up to 3 days for one year of service to 25 days for 25 plus years of service. No more than twice the annual PTO accrual may be accumulated.

For the year ended December 31, 2020, the PTO accrued was \$17,507.

F. Property Taxes - Receivable

Annual property taxes are levied on December 22 of each year and attached as an enforceable lien as of January 1. They are payable in full April 30, or in two equal installments due February 28 and June 15. The county bills and collects property taxes for the district. Property taxes collected by the county are remitted to the district in the subsequent month. Property taxes are reported as receivable and deferred revenue when levied and as revenue when collected in the following year.

Property taxes are recognized as revenue in the year in which they are intended to finance operating expenses.

G. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NORTH FORK AMBULANCE HEALTH SERVICE DISTRICT

Summary of Significant Accounting Policies

December 31, 2020

- H. Receivables
Receivables are reported net of an allowance for uncollectible accounts. The District's policy is to establish an allowance for uncollectible accounts based on individual analysis of accounts.

- I. Fund Equity
In the fund financial statements governmental funds report reservations of fund balance amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

- J. Net Position
Net position represents the difference between assets and liabilities. Net Position invested in capital assets net of related debt consists of capital assets net of accumulated depreciation and related debt. Net Position are reported as restricted when there are constraints placed on their use either by law through constitutional provisions or enabling legislation or through restrictions externally imposed by creditors, grantors, laws, or regulations of other governments.

- K. Use of Restricted Funds
It is the District's policy to use restricted funds first for their intended use before unrestricted funds are used.

- L. Subsequent Events
Management has reviewed subsequent events through the date of the audit report.

NORTH FORK AMBULANCE HEALTH SERVICE DISTRICT

Notes to Financial Statements

December 31, 2020

Note 1 - Change in Capital Asset

	Balance <u>1/1/2020</u>	Additions	Deletions	Balance <u>12/31/2020</u>
Building	\$ 87,319	\$ 28,947	\$ -	\$ 116,266
Medical Equipment	17,340	-	-	17,340
Equipment	-	17,647	-	17,647
Rescue Vehicles	215,500	312,877	(35,000)	493,377
Fixed Assets being depreciated	320,159	359,471	(35,000)	644,630
Less accumulated depreciation	<u>(24,375)</u>	<u>(78,191)</u>	<u>7,000</u>	<u>(95,566)</u>
Net	295,784	281,280	(28,000)	549,064
Land	37,500	5,236	-	42,736
CIP-Ambulance	153,150	57,874	(153,150)	57,874
Net Fixed Assets	<u>\$486,434</u>	<u>\$ 344,390</u>	<u>\$ (181,150)</u>	<u>\$ 649,674</u>

In 2020, the Districts depreciation was \$78,191. The depreciation was charged directly to the various functions as follows:

Building	\$ 2,545
Medical equipment	3,468
Equipment	1,291
Medical vehicles	<u>70,887</u>
Total	<u>\$ 78,191</u>

Note 2 - Budget to Actual Comparison

	<u>General Fund</u>
Revenue and other financing resources	
GAASP Basis	\$ 1,606,871
Modification to GAAP Basis	
Carryover from prior year	268,661
Resources Budgetary Basis	<u>1,875,532</u>
2020 Budgeted Resources	1,503,341
Variance Favorable (Unfavorable)	<u>\$ 372,191</u>
Expenditures- GAAP Basis	\$ 1,001,538
Modifications to GAAP Basis	
Capital outlays	266,932
Depreciation	(78,191)
Loss of disposal of capita assets	(25,501)
Expenditures Budgeted Basis	<u>1,164,778</u>
2020 Budgeted Expenditures	<u>1,374,080</u>
Variance Favorable (Unfavorable)	<u>\$ (209,302)</u>

NORTH FORK AMBULANCE HEALTH SERVICE DISTRICT

Summary of Significant Accounting Policies

December 31, 2020

Note 3 – Deposits and Investments

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 100% of the uninsured deposits. Collateral in the pool is considered equal to depository insurance pursuant to definitions listed in GASB Statement No. 40. At December 31, 2020, the District's cash deposits had a bank balance of \$714,148 of which \$250,000 was covered by federal depository insurance, and \$464,148 was collateralized.

On December 31, 2020, the deposits of the governmental activities consisted of the following:

Cash in demand accounts	\$ \$714,148
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Note 4 - Tax, Spending, and Debt Limitation

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue, and debt limitations that apply to the State of Colorado and all local governments.

The initial base for local government spending and revenue limits is 1992 Fiscal Year Spending. Future spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue more than the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 1% of Fiscal Year Spending (excluding bonded debt service) in 1993, 2% in 1994 and 3% thereafter. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

TABOR requires, with certain exceptions, voter approval prior to imposing new taxes, increasing a tax rate, 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.

The District believes it is in compliance with this amendment.

NORTH FORK AMBULANCE HEALTH SERVICE DISTRICT

Notes to Financial Statements

December 31, 2020

Note 5 – Fund Balance Classification Policies and Procedures

The District has implemented GASB 54, Fund Balance Classification. With this GASB, the fund balance is broken into five classifications. (1) **Non-spendable** – not in spendable form, (2) **Restricted**-fund constrained by external parties, (3) **Committed** – constraints on use of funds imposed by the highest level of decision-making authority, in the Districts case that is the Board of Directors. The funds must be established, modified, or rescinded by use of resolution of the Board. (4) **Assigned** – funds intended to be used for a specific purpose, where the intent is expressed by an official authorized by the governing board, in the Districts case that is the Fire Chief and (5) **Unassigned** – which are funds available for any purpose. The District does not have any Assigned fund classification in 2020.

It is the District's policy to spend restricted fund first then unrestricted fund for the purpose for which both funds are available and committed and assigned funds are spent when expenditure is incurred for purposes for which amount in any of those unrestricted fund balance classification could be used.

The District does have fund classification as follows:

- Restricted which is dictated by Colorado State Law (TABOR)
- Non-spendable which is its prepaid expenses,
- Committed
- Unassigned.

Note 6 – Pension

Defined Contribution

The District, in 2020, established a defined contribution plan through the Colorado Retirement Association Retirement Plan (CRA or Plan), for its full-time employees. CRA is administered by the Plan. Benefit terms, including contribution requirements, for the Plan are established and may be amended by the Plan. The District is required to contribute 8 percent of annual salary, exclusive of overtime pay to individual employee accounts for each participating employee. Employees are required to make contributions 8 percent The Plan will take effect beginning January 1, 2021. The prior service cost of \$28,490, which represent the 2020 service cost for both employees and employer was accrued as of December 31, 2020.

Employees are immediately vested in their own contributions and earnings on those contributions. Employees become vested in District contributions and earnings on District contributions at the rate of 20 percent per year. Nonvested contributions are forfeited upon termination of employment and such forfeitures are used to pay a portion of the Plan's administrative expenses. For the year ended December 31, 2020 there were no forfeitures.

The District had no liability to the Plan on December 31, 2020.

Deferred Compensation Plan

The District also offers a Deferred Compensation Plan through the Colorado Retirement Association Deferred Compensation Plan (Plan). Employees are not required to participate in this plan, but if they do elect to participate the District will match up-to six percent of eligible employee's pay. The employer and employee contributions will begin January 1, 2021

REQUIRED SUPPLEMENTAL INFORMATION

North Fork Ambulance Health Service District
Statement of Revenues, Expenditures, and Change in Fund Balance
Budget and Actual

For the Year Ended December 31, 2020

	General Fund		
	Original Budget	Actual	Variance Favorable (Unfavorable)
Revenue:			
General property taxes	\$ 921,134	\$ 918,368	\$ (2,766)
Specific ownership tax	97,117	127,070	29,953
Ambulance	335,000	394,749	59,749
Interest income	-	720	720
Grant income	145,690	161,294	15,604
Miscellaneous	4,400	4,670	270
Total Revenues	1,503,341	1,606,871	103,530
Expenditures:			
Administrative:			
Salaries	13,000	18,659	5,659
Professional fees	20,300	17,085	(3,215)
Public relations	2,300	4,216	1,916
Insurance	39,760	37,383	(2,377)
Treasurers fees	18,423	8,950	(9,473)
Director's fees	8,000	6,400	(1,600)
Bad debts	20,000	4,740	(15,260)
Contingency and all other	67,445	43,668	(23,777)
Total Administration	189,228	141,101	(48,127)
Operations:			
EMS operations	48,400	28,816	(19,584)
Annual contracts	15,300	10,992	(4,308)
EMS transport	62,000	62,545	545
Apparatus/Vehicle expense	26,400	19,553	(6,847)
EMS education	42,250	10,484	(31,766)
Payroll & benefits	758,502	756,537	(1,965)
Total Operations	952,852	888,927	(63,925)
Capital Outlay Major	232,000	266,932	34,932
Total Expenditures	1,374,080	1,296,960	(77,120)
Revenue Over (Under) Expenditures	129,261	309,911	180,650
Fund Balance-Beginning of Year	268,661	385,534	116,873
Fund Balance-End of Year	\$ 397,922	\$ 695,445	\$ 297,523