

NORTH FORK AMBULANCE HEALTH SERVICE DISTRICT

Financial Statements and
Report of Independent Auditor
For the Year Ended December 31, 2022

NORTH FORK AMBULANCE HEALTH SERVICE DISTRICT

TABLE OF CONTENTS
December 31, 2022

	<u>Page Number</u>
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT DISCUSSION AND ANALYSIS	3
FINANCIAL STATEMENTS	
Statement of Net Position and Governmental Fund Balance Sheet	6
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	7
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund and Statement of Activities	8
Reconciliation of Statement of Revenues, Expenditures and Change in the Fund Balances of the Governmental Fund to the Statement of Activities	9
Notes to the Financial Statements	10
REQUIRED SUPPLEMENTAL INFORMATION	
Statement of Revenue, Expenditures –Budget and Actual General Fund	17



INDEPENDENT AUDITOR'S REPORT

To The Board of Directors
North Fork Ambulance Health Services District
Hotchkiss, CO

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the North Fork Ambulance Health Services District (District), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the district's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of December 31, 2022, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the district and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the district's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

Auditor Reporting Requirements and Other Communication Considerations

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the district's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Blair and Associates, P.C.

Cedaredge, Colorado

March 23, 2023

Management's Discussion and Analysis

North Fork EMS District

Fiscal Year 2022

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, 2022 (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,	2022	2021
Current assets	\$ 2,319,252	\$ 1,842,993
Capital assets (net of depreciation)	681,673	803,029
Total assets	3,000,925	2,646,022
Current liabilities	37,353	25,270
Long-term Liabilities:		
Compensated Absences	51,128	11,683
Deferred Inflows:		
Property Taxes	1,089,592	965,319
Net Position:		
Invested in capital assets	681,673	803,029
Restricted for Tabor emergency	51,950	49,750
Nonspendable	15,115	16,553
Committed	157,000	-
Unrestricted	917,114	774,418
Total Net Position	\$ 1,822,852	\$ 1,643,750

Management's Discussion and Analysis
North Fork EMS District
Fiscal Year 2022

The net position of the District increased to \$179,102 in 2022. This is in large part due to the increase in cash and investments. The District's total assets were \$3,000,925 in 2022. The District's total liabilities were \$88,480 in 2022.

REVIEW OF REVENUES

Years ended December 31,	<u>2022</u>	<u>2021</u>
Operating revenue		
Charges for services	\$ 535,916	\$ 497,688
Total	<u>535,916</u>	<u>497,688</u>
Non-operating revenue		
Specific ownership tax	136,644	138,102
General property tax	998,794	949,828
Interest income	14,958	402
Other revenue	26,980	3,297
Grants	<u>16,879</u>	<u>61,191</u>
Total	<u>1,194,255</u>	<u>1,152,820</u>
Total revenue	<u>\$ 1,730,171</u>	<u>\$1,650,508</u>

The District's total revenues increase \$79,663 from \$1,650,508 in 2021. The major reason for this was an increase in charges for services and an increase in property taxes.

REVIEW OF EXPENDITURES

Years ended December 31,	<u>2022</u>	<u>2021</u>
Operating expenditures:		
Ambulance operations	\$ 1,429,713	\$ 1,505,232
Depreciation	130,301	118,967
Loss on disposal of assets	-	-
Capital outlay	<u>(8,945)</u>	<u>(272,322)</u>
Total Expenditures	<u>\$ 1,551,069</u>	<u>\$ 1,351,877</u>

The major capital asset purchases for 2022, including reclassification from construction in process were as follows:

Ambulance equipment	<u>\$ 8,945</u>
---------------------	-----------------

Management's Discussion and Analysis

North Fork EMS District

Fiscal Year 2022

ECONOMIC AND OTHER FACTORS

The North Fork Valley showed some growth in population in 2022 due to the desire of new residents to work remotely and to participate in the growing sustainable agriculture sector. The valley experienced a strong housing market but was handicapped by a limited supply of water. Tourism was robust while the cost of living increased more slowly than front range communities.

Demographically, the number of residents over the age of sixty-five in Delta County is twice the state average. This creates a greater demand for the service provided by North Fork EMS. The older demographic and a tight labor market will keep the rate of unemployment low, decreasing the availability of qualified EMS personnel. Calls for services have increased, as have billing revenues, while the fiscal impact on the agency due to the COVID-19 pandemic has been minimal.

Growing with these challenges the district is making a concerted effort to adjust its operations to ensure that the residents continue to receive the EMS services that they depend on. North Fork EMS board is conservative in its stewardship and places emphasis on staffing, training, updating equipment and vehicles, while maintaining infrastructure to meet the growing needs of the communities.

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.

North Fork Ambulance Health Service District
Statement of Net Position and Governmental Fund Balance Sheet
December 31, 2022

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash and cash equivalents	\$ 221,890	\$ -	\$ 221,890
Accounts receivable rescue(Net of allowance of \$53,445)	65,248	-	65,248
Property taxes receivable	1,089,592	-	1,089,592
Other receivable	12,906	-	12,906
Prepaid expenses	15,115	-	15,115
Investments	914,501	-	914,501
Capital Assets (net of accumulated depreciation):			
Land	-	42,736	42,736
Building and improvements	-	346,997	346,997
Rescue vehicles	-	540,467	540,467
Equipment	-	25,147	25,147
Rescue equipment	-	71,160	71,160
Accumulated depreciation	-	(344,834)	(344,834)
TOTAL ASSETS	\$ 2,319,252	\$ 681,673	\$ 3,000,925
LIABILITIES			
Accounts payable	\$ 21,132	\$ -	\$ 21,132
Accrued payroll	15,723	-	15,723
Accrued expenses	497	-	497
Long-term liabilities:			
Compensated absences	51,128	-	51,128
TOTAL LIABILITIES	88,480	-	88,480
DEFERRED INFLOWS			
Property Taxes	1,089,592	-	1,089,592
FUND BALANCES AND NET POSITION			
Restricted-Emergency reserve - Tabor	51,950	(51,950)	-
Committed-Ambulance	157,000	(157,000)	-
Non-spendable	15,115	(15,115)	-
Unassigned	917,115	(917,115)	-
TOTAL FUND BALANCES	1,141,180	(1,141,180)	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,319,252		
NET POSITION			
Invested in capital assets, net of related debt		681,673	681,673
Restricted for:			
Tabor emergency		51,950	51,950
Unrestricted		1,089,230	1,089,230
TOTAL NET POSITION		\$ 1,822,853	\$ 1,822,853

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, 2022

Adjustments to reconcile the governmental fund balance sheet to the statement of Net Position are as follows:	
Fund balance per general fund balance sheet	\$ 1,141,180
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	681,673
Net Position for governmental activities	<u><u>\$ 1,822,853</u></u>

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, 2022

	General Fund	Adjustments (See Page 10)	Statement of Activities
EXPENDITURES/EXPENSES			
EMS operations	\$ 1,420,768	\$ -	\$ 1,420,768
Capital outlay	8,945	(8,945)	-
Depreciation	-	130,301	130,301
Total expenditures/expenses	<u>1,429,713</u>	<u>121,356</u>	<u>1,551,069</u>
PROGRAM REVENUES			
Charges for services	<u>535,916</u>	-	<u>535,916</u>
Net program expenses	<u>(893,797)</u>	<u>121,356</u>	<u>(1,015,153)</u>
GENERAL REVENUES			
Property taxes	998,794	-	998,794
Specific ownership	136,644	-	136,644
Interest income	14,958	-	14,958
Grant income	16,879	-	16,879
Miscellaneous income	26,980	-	26,980
Total general revenues	<u>1,194,255</u>	-	<u>1,194,255</u>
Excess of (expenditures) over revenues	300,458	(121,356)	
Change in Net Position			179,102
FUND BALANCE/NET POSITION			
Beginning of the year	840,721	803,029	1,643,750
End of the year	<u>\$ 1,141,179</u>	<u>\$ 681,673</u>	<u>\$ 1,822,852</u>

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

**North Fork Ambulance Health Service District
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, 2022**

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>\$ 300,458</u>
Governmental funds report capital outlay as expenditures. However, in the Statement of Activity the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Capital outlay	8,945
Depreciation	<u>(130,301)</u>
	<u>(121,356)</u>
Change in Net Position of governmental activities (page 9)	<u><u>\$ 179,102</u></u>

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, 2022

Note 1 - Summary of Significant Accounting Policies

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 are 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.

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.

NORTH FORK AMBULANCE HEALTH SERVICE DISTRICT
Summary of Significant Accounting Policies
December 31, 2022

Note 1 - Summary of Significant Accounting Policies (continued)

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 comparable 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 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.

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.

NORTH FORK AMBULANCE HEALTH SERVICE DISTRICT
Summary of Significant Accounting Policies
December 31, 2022

Note 1 - Summary of Significant Accounting Policies (continued)

E. Compensated Absences

The District has adopted a policy addressing 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 twenty-five 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 twenty-five days for twenty-five plus years of service. No more than twice the annual PTO accrual may be accumulated.

For the year ended December 31, 2022, the PTO accrued was \$51,128.

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.

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
Summary of Significant Accounting Policies
December 31, 2022

Note 2 - Capital Asset

	Balance 1/1/2022	Additions	Deletions	Balance 12/31/2022
Building	\$ 346,997	\$ -	\$ -	\$ 346,997
Medical Equipment	62,215	-	-	62,215
Equipment	25,147	-	-	25,147
Rescue Vehicles	540,467	-	-	540,467
Fixed Assets being depreciated	974,826	-	-	974,826
Less accumulated depreciation	<u>(214,533)</u>	<u>(130,301)</u>	-	<u>(344,834)</u>
Net	760,293	(130,301)	-	629,992
Land	42,736	-	-	42,736
CIP-Ambulance	-	8,945	-	8,945
Net Fixed Assets	<u>\$ 803,029</u>	<u>\$ (121,356)</u>	<u>\$ -</u>	<u>\$ 681,673</u>

In 2022, the Districts depreciation was \$130,301. The depreciation was charged directly to the various functions as follows:

Building	\$ 8,676
Medical equipment	9,879
Equipment	3,653
Medical vehicles	<u>108,093</u>
Total	<u>\$ 130,301</u>

Note 3 - Budget to Actual Comparison

	General Fund
Revenue and other financing resources	
GAAP and Budgetary Basis	\$ 1,730,171
2022 Budgeted Resources	<u>1,745,219</u>
Variance Favorable (Unfavorable)	<u>\$ (15,048)</u>
Expenditures- GAAP Basis	\$ 1,551,069
Modifications to GAAP Basis	
Capital outlays	8,945
Depreciation	<u>(130,301)</u>
Expenditures Budgeted Basis	1,429,713
2022 Budgeted Expenditures	<u>1,630,079</u>
Variance Favorable (Unfavorable)	<u>\$ 200,366</u>

NORTH FORK AMBULANCE HEALTH SERVICE DISTRICT
Summary of Significant Accounting Policies
December 31, 2022

Note 4 – 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, 2022, the District's cash deposits had a bank balance of \$221,724 of which \$250,000 was covered by federal depository insurance.

In 2022, the district invested in CSAFE-Colorado Core Fund. This investment carries a NAV of 2.000296138 per share. It is rated by Fitch as AAAsf/S1. On December 31, 2022, the carrying value of the investment was \$914,501

Note 5 - 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, 2022

Note 6 – 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 2022.

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 7 – 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 its annual salary, exclusive of overtime pay to individual employee accounts for each participating employee. Employees are required to make contributions of 8 percent. The Plan took effect beginning January 1, 2022. The prior service cost of \$28,490, which represents 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 from 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, 2022, there were no forfeitures.

The District’s contribution for 2022 was \$29,601.

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. Employer and employee contributions began January 1, 2021. The contribution for the District for 2022, amounted to \$20,415.

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, 2022

	General Fund		
	Original Budget	Actual	Variance Favorable (Unfavorable)
Revenue:			
General property taxes	\$ 998,019	\$ 998,794	\$ 775
Specific ownership tax	134,800	136,644	1,844
Ambulance	494,000	535,916	41,916
Interest income	600	14,958	14,358
Grant income	98,300	16,879	(81,421)
Miscellaneous	19,500	26,980	7,480
Total Revenues	<u>1,745,219</u>	<u>1,730,171</u>	<u>(15,048)</u>
Expenditures:			
Administrative:			
Salaries	35,000	23,770	11,230
Professional fees	32,450	13,732	18,718
Public relations	18,200	13,120	5,080
Insurance	46,500	43,675	2,825
Treasurers fees	22,700	8,121	14,579
Director's fees	8,500	5,700	2,800
Bad debts	50,500	34,000	16,500
Contingency and all other	62,900	50,171	12,729
Total Administration	<u>276,750</u>	<u>192,289</u>	<u>84,461</u>
Operations:			
EMS operations	38,500	30,900	7,600
Annual contracts	14,300	12,251	2,049
EMS transport	74,000	77,522	(3,522)
Apparatus/Vehicle expense	25,900	40,287	(14,387)
EMS education	21,100	17,035	4,065
Payroll & benefits	967,529	1,050,484	(82,955)
Total Operations	<u>1,141,329</u>	<u>1,228,479</u>	<u>(87,150)</u>
Capital Outlay Major	212,000	8,945	203,055
Total Expenditures	<u>1,630,079</u>	<u>1,429,713</u>	<u>200,366</u>
Revenue Over (Under) Expenditures	115,140	300,458	185,318
Fund Balance-Beginning of Year	795,405	840,721	45,316
Fund Balance-End of Year	<u>\$ 910,545</u>	<u>\$ 1,141,179</u>	<u>\$ 230,634</u>