

**NORTHERN SAGUACHE COUNTY AMBULANCE DISTRICT  
SAGUACHE, COLORADO**

**FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITORS' REPORT**

**For the Year Ended  
December 31, 2023**

# Northern Saguache County Ambulance District

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## **FINANCIAL SECTION**

# Mayberry & Company, LLC

## Certified Public Accountants

Member of the American Institute of Certified Public Accountants  
Governmental Audit Quality Center  
and Private Company Practice Section

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Board of Directors  
Northern Saguache County Ambulance District  
Saguache, Colorado

### **Independent Auditors' Report**

#### ***Opinion***

We have audited the accompanying financial statements of Northern Saguache County Ambulance District, as of and for the year ended December 31, 2023, and the related notes to the financial statements which collectively comprise Northern Saguache County Ambulance 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 Northern Saguache County Ambulance District as of December 31, 2023, and the respective changes in financial position and cash flow for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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

#### ***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; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 Northern Saguache County Ambulance 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' Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on 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 Northern Saguache County Ambulance District 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 Northern Saguache County Ambulance 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.

***Emphasis of a Matter***

As discussed in Note 9 to the financial statements, the 2022 financial statements have been restated to reflect the correction of prior year expenses that were reported in both fiscal years 2021 and 2022. Our opinion is not modified with respect to this matter.

***Report on Summarized Comparative Information***

We have previously audited the Northern Saguache County Ambulance District's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 31, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

***Required Supplementary Information***

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinions on the basic financial statements are not affected by this missing information.

**Supplementary Information**

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

*Mayberry + Company, LLC*

Englewood, Colorado  
July 29, 2024

## **Basic Financial Statements**

**NORTHERN SAGUACHE COUNTY AMBULANCE DISTRICT**

**Statement of Net Position**

**December 31, 2023**

**(With Comparative Totals for December 31, 2022)**

	<b>Proprietary Fund</b>	
	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
Current Assets		
Cash and Investments	\$ 548,950	\$ 794,492
Cash with Fiscal Agent	3,223	7,366
Property Tax Receivable	-	303,272
Accounts Receivable	6,452	18,445
Prepaid Expenses	2,691	-
Total Current Assets	<u>561,316</u>	<u>1,123,575</u>
Noncurrent Assets		
Capital Assets Not Being Depreciated	35,600	35,600
Capital Assets Being Depreciated	<u>664,854</u>	<u>399,276</u>
Total Noncurrent Assets	<u>700,454</u>	<u>434,876</u>
Total Assets	<u>1,261,770</u>	<u>1,558,451</u>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts Payable	<u>13,725</u>	<u>20,097</u>
<b>DEFERRED INFLOWS OF FINANCIAL RESOURCES</b>		
Unavailable Revenue - Property Taxes	<u>-</u>	<u>303,272</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	700,454	434,876
Restricted for TABOR Emergencies	13,000	13,000
Unrestricted	<u>534,591</u>	<u>787,206</u>
TOTAL NET POSITION	<u>\$ 1,248,045</u>	<u>\$ 1,235,082</u>

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

**NORTHERN SAGUACHE COUNTY AMBULANCE DISTRICT**

**Statement of Revenues, Expenses and Change in Fund Net Position -  
Year Ended December 31, 2023  
(With Comparative Totals for the Year Ended December 31, 2022)**

	<b>Proprietary Fund</b>	
	<b>2023</b>	<b>2022</b>
OPERATING REVENUES		
Ambulance Services	\$ 265,919	\$ 291,891
Less:		
Contract Adjustments	(115,622)	(125,881)
Bad Debt	(69,574)	(165,767)
Net Ambulance Services	80,723	243
Other Revenues	67	38,557
Total Operating Revenues	<u>80,790</u>	<u>38,800</u>
OPERATING EXPENSES		
Administration	81,769	71,503
Operations	278,991	273,217
Depreciation	48,485	31,693
Capital Outlay	17,441	43,125
Total Operating Expenses	<u>426,686</u>	<u>419,538</u>
NET INCOME (LOSS) FROM OPERATIONS	<u>(345,896)</u>	<u>(380,738)</u>
NONOPERATING REVENUES (EXPENSES)		
Property Taxes	297,348	283,237
Specific Ownership Taxes	47,043	44,766
Grants	3,000	44,376
Donations	600	285,469
Investment Earnings	249	284
Net Nonoperating Revenues (Expenses)	<u>348,240</u>	<u>658,132</u>
CHANGE IN NET POSITION	<u>2,344</u>	<u>277,394</u>
NET POSITION, Beginning	1,235,082	957,688
PRIOR PERIOD RESTATEMENT	10,619	-
NET POSITION, Beginning (As Restated)	<u>1,245,701</u>	<u>957,688</u>
NET POSITION, Ending	<u>\$ 1,248,045</u>	<u>\$ 1,235,082</u>

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

**NORTHERN SAGUACHE COUNTY AMBULANCE DISTRICT**

**Statement of Cash Flows  
Proprietary Fund  
Year Ended December 31, 2023  
(With Comparative Totals for the Year Ended December 31, 2022)**

	<b>Proprietary Fund</b>	
	<b>2023</b>	<b>2022</b>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Ambulance Fees	\$ 92,716	\$ 64,915
Cash Received from Other Sources	67	38,557
Cash Paid for Employee Services	(218,291)	(195,236)
Cash Paid for Other Goods and Services	(158,354)	(182,668)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(283,862)</u>	<u>(274,432)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
County Treasurer Receipts	348,534	327,155
Cash from Other Governments	3,000	44,376
Cash from Others	600	285,469
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>352,134</u>	<u>657,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Capital Assets	<u>(314,063)</u>	<u>(15,949)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Earnings	<u>249</u>	<u>284</u>
CHANGE IN CASH AND EQUIVALENTS	(245,542)	366,903
CASH AND EQUIVALENTS, Beginning	<u>794,492</u>	<u>427,589</u>
CASH AND EQUIVALENTS, Ending	<u>\$ 548,950</u>	<u>\$ 794,492</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH FLOWS PROVIDED (USED) BY OPERATIONS		
Operating Income (Loss)	\$ (345,896)	\$ (380,738)
Adjustment to Reconcile:		
Depreciation Expense	48,485	31,693
Change in Current Assets & Liabilities		
(Increase) Decrease in:		
Accounts Receivable	11,993	64,672
Prepaid Expenses	(2,691)	-
Increase (Decrease) in:		
Accounts Payable	4,247	9,941
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (283,862)</u>	<u>\$ (274,432)</u>

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

## **NORTHERN SAGUACHE COUNTY AMBULANCE DISTRICT**

### **NOTES TO FINANCIAL STATEMENTS**

**December 31, 2023**

#### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Northern Saguache County Ambulance District have been prepared in conformity with Generally Accepted Accounting Principles (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 following summary of significant accounting policies is presented to assist the reader in evaluating the District's financial statements.

##### **Reporting Entity**

The Northern Saguache County Ambulance District is a political subdivision of the State of Colorado governed by a five member board of directors. As required by generally accepted accounting principles, these financial statements present the Northern Saguache County Ambulance District (the primary government) and its component units. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable, or other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the District's financial statements to be misleading or incomplete. Based upon the foregoing criteria, there are no component units included in the accompanying financial statements.

##### **Nature of Operations**

The District provides emergency medical services for citizens in and around the northern Saguache County area in Colorado. The District was formed in 2003 as established by Colorado State statutes. Taxes are levied upon all taxable property in the District's boundaries by the County Commissioners. The County Treasurer bills and collects all property taxes for the District.

##### **Basic Financial Statements**

As a special purpose government, basic financial statements are presented at the activity level.

Activity level financial statements focus on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the year. These aggregated statements consist of the Statement of Net Position, the Statement of Change in Fund Net Position, and the Statement of Cash Flow.

As a special purpose government, the District has only one fund, an enterprise/proprietary fund which is also considered its business type activity. The District does not present any other fund or activity information.

## **NORTHERN SAGUACHE COUNTY AMBULANCE DISTRICT**

### **NOTES TO FINANCIAL STATEMENTS**

**December 31, 2023**

#### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The District's activity is 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 soon as all eligibility requirements imposed by the provider have been met.

Property taxes, grant revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Service revenue is accrued once billed. All other revenue items are considered to be measurable and available only when cash is received by the District. As certain charges are limited under either federal reimbursement provisions or agreed upon rates with insurance companies, the financial statements reflect the gross charges and separately reduces these amounts for the amount of the contract adjustments.

Expenditures are recognized under the accrual basis of accounting when the related fund liability is incurred.

The District reports one enterprise fund. This fund accounts for the financial resources of the District including all revenues and costs related to the emergency medical services that are provided. Principal sources of revenue are service charges, property taxes, intergovernmental revenue and interest. Primary expenditures are for emergency medical services and general administration.

##### **Cash and Investments**

The District's includes cash in bank, certificates of deposit and liquid investments as part of its cash and cash equivalents.

##### **Receivables/Deferred Inflow**

In the business type activity, receivables consist of all revenues earned at year-end and not yet received. At the end of the current year, these receivables consisted of uncollected service fees, net of a \$132,767 allowance for uncollectible fees and property taxes that are levied in the current year to be collected in the subsequent year. Since the property taxes are not due or payable until 2024 and represent resources to support the 2024 operation, this revenue is deferred until collected and is reflected as a deferred inflow of financial resources. For the year ended December 31, 2023, the State allowed the property taxes to be approved later than normally required by Statute. The District adopted the levy subsequent to year end and therefore no receivable or deferral was recorded at year end (Note 8).

**NORTHERN SAGUACHE COUNTY AMBULANCE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**  
(Continued)

**Capital Assets**

Capital assets, which include land, machinery and equipment (furniture, vehicles, computers, etc.), are reported as business-type activity non-current assets on the Statement of Net Position. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated or annexed capital assets are recorded at estimated fair value at the date of donation or annexation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position. Depreciation on the remaining capital assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	50 years
Machinery and Equipment	5-15 years
Vehicles	10 years

**Deferred Inflows of Resources**

In addition to liabilities, the statement of net position reports 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 so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises both under the full accrual and modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported in the statement of net position and reports unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow is recorded at December 31. As the tax is collected in the succeeding year, the deferred inflow is recognized as revenue and the receivable is reduced. For the year ended December 31, 2023, the property tax mill was levied subsequent to year end (Note 8).

## **NORTHERN SAGUACHE COUNTY AMBULANCE DISTRICT**

### **NOTES TO FINANCIAL STATEMENTS**

**December 31, 2023**

#### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **Long-Term Obligations**

The District does not have any outstanding debt as of December 31, 2023. The District also does not have any compensated leave liability at year end as the District pays out all unused leave at year end.

##### **Net Position**

Net Position comprises the various net earnings from operating income, nonoperating revenues and expenses, and capital contributions. Net Position is classified in the following three components:

Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted -This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted - This component of net position consists of fund balances that do not meet the definition of "restricted" or "net investment in capital assets."

##### **Net Position Flow Assumptions**

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of restricted and unrestricted net position). In order to calculate the amounts to report as restricted or unrestricted net position in the proprietary fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before using any of the unrestricted net position, if allowed under the terms of the restriction.

##### **Property Taxes**

Property taxes are levied on November 1 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to the District on a monthly basis.

## **NORTHERN SAGUACHE COUNTY AMBULANCE DISTRICT**

### **NOTES TO FINANCIAL STATEMENTS**

**December 31, 2023**

#### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **Use of Estimates**

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

During 2023, the amounts written off by the District's Medical billing service appeared reasonable in relation to the allowance recorded as of December 31, 2022. We anticipate this trend to continue based on historical analysis. Collections were reviewed subsequent to year end to estimate the allowance as of December 31, 2023.

#### **NOTE 2: STEWARDSHIP, ACCOUNTABILITY AND COMPLIANCE**

##### **Budgets**

The District adopts an annual budget for the proprietary fund which is prepared on a modified accrual basis of accounting. The primary difference from full accrual is that the District budgets for capital outlay rather than depreciation to better reflect cash needs. The District may authorize supplemental appropriations during the budget year. All budgetary appropriations lapse at year-end.

Colorado statutes provide the following timetable which is followed in the adoption of budgets:

- Submission of the proposed budget to the local governing body by October 15 of each year.
- Certification of mill levies to the Board of County Commissioners by December 15.
- Final adoption of budget and appropriations by December 31 of each year.
- Property taxes are due by April 30 of each year if paid in full, or in two installments due February 28 and June 15 of each year.
- Liens are placed on property for which taxes are delinquent in November of each year.

The District did not adopt any supplemental budgets during the year.

##### **Encumbrances**

The District does not utilize encumbrance accounting.

## **NORTHERN SAGUACHE COUNTY AMBULANCE DISTRICT**

### **NOTES TO FINANCIAL STATEMENTS**

**December 31, 2023**

#### **NOTE 3: CASH AND INVESTMENTS**

The District's cash and investment balance as of December 31, 2023 consisted of checking deposits with a bank balance of \$378,643 and a book balance of \$348,950. The District also had a certificate of deposit with a value of \$200,000 at year end.

#### **DEPOSITS**

##### Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it.

The District's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. 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 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and December 31, 2023, \$450,000 of the District's deposits were insured by federal depository insurance with the remaining \$128,643 covered by PDPA.

#### **INVESTMENTS**

##### Credit Risk

Colorado statutes specify which instruments units of local government may invest, which include:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of the U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

The District's investment policy limits its investments to those allowed by Colorado Revised Statute 24-75-601.1 as described above.

##### Concentration of Credit Risk

The District places no limit on the amount that may be invested in any one issuer.

**NORTHERN SAGUACHE COUNTY AMBULANCE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
December 31, 2023**

**NOTE 3: CASH AND INVESTMENTS (Continued)**

Interest Rate Risk

Colorado Statutes require that no investment may have a maturity in excess of five years from the date of purchase unless authorized by the local board. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, other than those contained in state statutes.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2023, the District did not have any investments requiring safekeeping.

**NOTE 4: CHANGES IN CAPITAL ASSETS**

Capital Asset activity for the year ended December 31, 2023 was as follows:

	<u>Balance</u> <u>12/31/22</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/23</u>
<b><u>Business-Type Activities</u></b>				
Capital Assets not being depreciated:				
Land	\$ 35,600	\$ -	\$ -	\$ 35,600
Capital Assets being depreciated:				
Buildings	273,461		-	273,461
Vehicles	241,561	269,556	-	511,117
Equipment	<u>213,033</u>	<u>44,507</u>	-	<u>257,540</u>
Total Capital Assets being depreciated	<u>728,055</u>	<u>314,063</u>	-	<u>1,042,118</u>
Less: Accumulated Depreciation				
Buildings	(69,582)	(5,470)	-	(75,052)
Vehicles	(205,400)	(19,790)	-	(225,190)
Equipment	<u>(53,796)</u>	<u>(23,226)</u>	-	<u>(77,022)</u>
Total Accumulated Depreciation	<u>(328,778)</u>	<u>(48,486)</u>	-	<u>(377,264)</u>
<b>Net Capital Assets</b>	<b><u>\$ 434,877</u></b>	<b><u>\$ 265,577</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 700,454</u></b>

## **NORTHERN SAGUACHE COUNTY AMBULANCE DISTRICT**

### **NOTES TO FINANCIAL STATEMENTS**

**December 31, 2023**

#### **NOTE 5: NET POSITION RESTRICTIONS/APPROPRIATIONS**

##### **Emergency Reserve**

On November 3, 1992, the voters of Colorado approved Amendment 1, commonly known as the TABOR Amendment, which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations, which apply to the State of Colorado, all local governments, and special districts.

The District's financial activity for the year ended December 31, 2023 will provide the basis for calculation of future limitations adjusted for allowable increases tied to inflation and local growth. Subsequent to December 31, 2023, revenue in excess of the District's "spending limit" must be refunded unless voters approve the retention of such excess revenue. TABOR generally requires voter approval for any new tax, tax increases, and new debt.

In November, 2002, the District's electorate approved a resolution to permit the District to "collect, retain and expend all revenues from any source, including revenues from grants and fundraising activities", notwithstanding Article X, Section 20 of the Colorado Constitution.

TABOR is extremely complex and subject to interpretation. Ultimate implementation may depend upon litigation and legislative guidance.

The District has made the following net position restriction as a result of Article X, Section 20 (TABOR) of the Colorado Constitution:

##### Emergency Reserve

The Article requires an emergency reserve be set aside for 2023 in the amount of 3% or more of its fiscal year spending. At December 31, 2023, the District has restricted \$13,000 for emergencies.

The District believes it is in compliance with the provisions of the TABOR Amendment.

#### **NOTE 6: 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 ambulance personnel; and natural disasters. The District purchases commercial insurance for all risks of loss. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

## **NORTHERN SAGUACHE COUNTY AMBULANCE DISTRICT**

### **NOTES TO FINANCIAL STATEMENTS**

**December 31, 2023**

#### **NOTE 7: GRANTS**

The District receives financial assistance from various governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audit could become a liability of the District. However, in the opinion of the District, any such disallowed claims will not have a material effect on the financial statements or on the overall financial position of the District at December 31, 2023.

#### **NOTE 8: SUBSEQUENT EVENTS**

In January 2024, the District adopted its property tax mill levy for the 2024 fiscal year in the amount of \$356,800. As this mill levy was not adopted until after year end, it was not recorded as a receivable and related deferred inflow as of December 31, 2023.

#### **NOTE 9: PRIOR PERIOD RESTATEMENT**

It was discovered during the 2023 audit process that accounts payable in the amount of \$10,619 that existed as of December 31, 2021 were also expensed in the 2022 fiscal year. The District has increased the beginning net position by that amount, from \$1,235,082 to \$1,245,701 to correct this error.

**Required Supplementary Information**  
(Unaudited)

**NORTHERN SAGUACHE COUNTY AMBULANCE DISTRICT**

**Schedule of Revenues, Expenses and Change in Fund Net Position - Budget and Actual  
Year Ended December 31, 2023  
(With Comparative Totals for the Year Ended December 31, 2022)**

	<b>Proprietary Fund</b>			
	<b>2023</b>		<b>2022</b>	
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Budget Pos (Neg)</b>	<b>Actual</b>
<b>OPERATING REVENUES</b>				
Ambulance Services	\$ 40,000	\$ 265,919	\$ 225,919	\$ 291,891
Less:				
Contract Adjustments	-	(115,622)	(115,622)	(125,881)
Bad Debt	-	(69,574)	(69,574)	(165,767)
Net Ambulance Services	40,000	80,723	40,723	243
Other Revenues	-	67	67	38,557
Total Operating Revenues	<u>40,000</u>	<u>80,790</u>	<u>40,790</u>	<u>38,800</u>
<b>OPERATING EXPENSES</b>				
Administration				
Insurance and Bonds	40,000	20,821	19,179	23,049
Contract Services	2,000	1,291	709	612
Legal and Accounting	30,000	-	30,000	-
Other Professional Fees	2,000	25,375	(23,375)	23,656
Board Expenditures	8,400	11,200	(2,800)	5,050
Other Supplies and Expenses	4,500	6,039	(1,539)	4,315
Utilities and Telephone	12,000	7,610	4,390	6,031
Treasurer's Fees	12,000	8,866	3,134	8,492
Travel and Entertainment	5,000	567	4,433	298
Total Administration	<u>115,900</u>	<u>81,769</u>	<u>34,131</u>	<u>71,503</u>
Operations				
Salaries and Wages	216,200	218,291	(2,091)	195,236
Payroll Taxes	14,000	17,556	(3,556)	15,322
Supplies and Expenses	25,000	17,291	7,709	14,105
Maintenance and Repair	60,000	12,550	47,450	4,781
Fuel and Oil	12,000	6,689	5,311	7,181
Training	20,000	6,513	13,487	28,071
Uniforms	2,500	-	2,500	1,218
Contract Services	15,000	-	15,000	6,700
Other Expense	2,000	101	1,899	603
Total Operations	<u>366,700</u>	<u>278,991</u>	<u>87,709</u>	<u>273,217</u>
Capital Outlay	<u>345,000</u>	<u>331,503</u>	<u>13,497</u>	<u>59,074</u>
Contingency	<u>240,000</u>	<u>-</u>	<u>240,000</u>	<u>-</u>
Total Operating Expenses	<u>1,067,600</u>	<u>692,263</u>	<u>375,337</u>	<u>403,794</u>
<b>NET INCOME (LOSS) FROM OPERATIONS</b>	<u>(1,027,600)</u>	<u>(611,473)</u>	<u>416,127</u>	<u>(364,994)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Property Taxes	260,000	297,348	37,348	283,237
Specific Ownership Taxes	-	47,043	47,043	44,766
Grants	297,500	3,000	(294,500)	44,376
Donations	200	600	400	285,469
Investment Earnings	100	249	149	284
Net Nonoperating Revenues (Expenses)	<u>557,800</u>	<u>348,240</u>	<u>(209,560)</u>	<u>658,132</u>
<b>CHANGE IN NET POSITION - Budget Basis</b>	<u>\$ (469,800)</u>	<u>(263,233)</u>	<u>\$ 206,567</u>	<u>293,138</u>
Reconciliation of Budget Basis to GAAP Basis				
Capital Outlay		314,062		15,949
Gain (Loss) on Capital Asset Disposal		-		-
Depreciation		(48,485)		(31,693)
<b>CHANGE IN NET POSITION - GAAP Basis</b>		<u>2,344</u>		<u>277,394</u>
<b>NET POSITION, Beginning</b>		<u>1,235,082</u>		<u>957,688</u>
<b>PRIOR PERIOD RESTATEMENT</b>		<u>10,619</u>		<u>-</u>
<b>NET POSITION, Beginning (As Restated)</b>		<u>1,245,701</u>		<u>957,688</u>
<b>NET POSITION, Ending</b>		<u>\$ 1,248,045</u>		<u>\$ 1,235,082</u>

See accompanying Independent Auditors' Report