



FINANCIAL STATEMENTS

Years Ended December 31, 2024 and 2023



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Independent Auditors' Report

Board of Directors
Thompson Valley Health Services District
Loveland, Colorado

Opinions

We have audited the accompanying financial statements of the business-type activities of the Thompson Valley Health Services District (the District) as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively compromise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Thompson Valley Health Services District as of December 31, 2024 and 2023, and the respective changes in financial position and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits 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 opinion.

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 within one year after the date that the financial statements are issued or available to be issued.

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 opinion. 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 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, 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.
- 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 require that management discussion and analysis 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, 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 evidence sufficient to express an opinion or provide any assurance.

Supplementary Information

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule on page 22 is presented for purposes of additional analysis and are 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

September 30, 2025

Anderson's Whitley, P.C.

THOMPSON VALLEY HEALTH SERVICES DISTRICT

c/o TVEMS

4480 Clydesdale Parkway – Loveland, Colorado 80538

Phone (970) 663-6025

A special Colorado Health Services District

Serving Southern Larimer County Since 1968

MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of the report provides readers with a narrative overview and analysis of the financial activities of the Thompson Valley Health Services District (the District or TVHSD) for the year ended December 31, 2024. We encourage readers to consider the information presented here in conjunction with the basic financial statements to enhance their understanding of the District’s financial performance.

FINANCIAL HIGHLIGHTS

- * TVHSD’s assets exceeded liabilities and deferred inflows by \$12,335,990 at December 31, 2024.
- * The December 31, 2024 net position is \$2,548,100 more than the previous year.
- * Reimbursement for ambulance operations continues to be primarily from insurance companies, Medicare, Medicaid, and private pay patients. Patient service revenue increased approximately 36% in 2024. Ambulance calls which were billed were approximately 13,132 in 2024 and 13,476 in 2023.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following discussion and analysis is intended to serve as an introduction to TVHSD’s financial statements which follow. The statements include:

1. Statements of Net Position
2. Statements of Revenue, Expenses, and Changes in Fund Net Position
3. Statements of Cash Flows
4. Notes to Financial Statements.

Statements of net position at December 31, 2024 and 2023 present all of the District’s assets and liabilities, with the difference reported as net position. Over time, increases and decreases in net position would provide an indication of whether the District’s financial position is improving or deteriorating.

Statements of revenue, expenses, and changes in fund net position present TVHSD revenue and expenses for the years ended December 31, 2024 and 2023.

Statements of cash flows show the net cash flows from activities for the years ended December 31, 2024 and 2023.

These statements are in compliance with Governmental Accounting Standards Board (GASB) Statement No. 34, as amended. These pronouncements address the requirements for financial statement presentation and certain disclosures for state and local governmental entities. TVHSD’s financial statements comply with all material requirements of these pronouncements.

These statements provide a snapshot of TVHSD’s assets, liabilities and deferred inflows as of December 31, 2024, and 2023 and the activities which occurred during those years. All statements were prepared using the accrual basis of accounting as required by GASB. These statements are on pages 10 through 12.

Notes to financial statements provide additional information which is essential to a full understanding of the basic financial statements. The notes to the financial statements can be found on pages 13 through 21 of this report.

Budgetary comparison shows the TVHSD annual appropriated budget. A budgetary comparison statement has been provided on page 23 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. As of December 31, 2024, assets exceeded liabilities and deferred inflows by \$12,335,990.

The following table provides a summary of the District’s net position:

December 31	2024	2023
Assets:		
Current and other assets	\$14,659,040	\$13,855,148
Capital assets (net)	5,586,695	5,116,649
Leased assets	153,587	266,758
Total Assets	20,399,322	19,238,555
Liabilities:		
Total Liabilities	3,290,164	3,863,517
Deferred Inflows of Resources:		
Deferred Property Taxes	5,373,168	5,587,148
Net Position:		
Net investment in capital assets	3,304,688	2,796,251
Restricted – emergencies	192,645	153,060
Board designated for debt service	1,300,000	1,200,000
Unrestricted	7,538,657	5,638,579
Total Net Position	\$12,335,990	\$ 9,787,890

A portion of TVHSD’s net position represents unrestricted net position of \$7,538,657 which may be used to meet the District’s ongoing obligations to citizens.

A significant portion of the District’s net position reflects its investment in capital assets. These assets include land, buildings, equipment, and vehicles, net of the debt incurred to purchase the assets. These capital assets are used to provide services to patrons; consequently, they are not available for future spending.

An additional \$192,645 of the District’s net position represents resources that are subject to external restriction on how they may be used. Included in this category is the TABOR emergency reserve.

The following table indicates the changes in net position:

	2024	2023
Revenue:		
Operating revenues:		
Net patient services	\$ 8,117,026	\$ 6,032,533
Other	103,497	66,939
General revenue:		
Property and S.O. taxes	6,421,510	5,089,264
Grants	118,675	15,002
CO EMS supplemental	702,807	683,326
Investment earnings	203,784	192,454
Other	82,710	--
Total Revenue	15,750,009	12,079,518
Expenses:		
Operations	12,385,215	11,210,305
Depreciation and amortization	752,721	567,191
Interest	63,973	69,120
Total Expenses	13,201,909	11,846,616
Increase in Net Position	\$ 2,548,100	\$ 232,902

Business-Type Activities. Business-type activities increased TVHSD’s net position by \$2,548,100 in 2024. Key elements of this change are as follows:

- * Total revenues increased by approximately \$3.7 million and 30%. There was a 35% increase in patient services and a 26% increase in Colorado property tax payments received in 2024.
- * Total expenses increased by approximately \$1.4 million and 11%. The increase is due primarily to the increases in employee and general operating costs.

BUDGETARY HIGHLIGHTS

The District's budget is prepared according to Colorado statutes and is on a non-GAAP basis.

Year Ended December 31, 2024	Budget	Actual
Beginning Fund Net Position	\$ 9,787,890	\$ 9,787,890
Revenue	12,498,180	15,750,009
Expenses	(14,768,048)	(13,201,909)
Ending Fund Net Position	\$7,518,022	\$12,335,990

CAPITAL ASSET ADMINISTRATION

Capital Assets. TVHSD's investment in capital assets for its business-type activities as of December 31, 2024, totals \$5,586,695 (net of accumulated depreciation). This investment includes land, buildings, equipment, and vehicles. The total increase in capital assets for 2024 was \$470,046, due to vehicle and equipment purchases being more than depreciation for the year.

The District elects the straight-line depreciation method for its capital assets, except for land which is not depreciated. Additional information on the District's capital assets can be found in Note 3 to the financial statements.

DEBT ADMINISTRATION

Long-term Debt. At December 31, 2024, the District had long-term debt of \$2,282,007 from certificates of participation, funded from property taxes and patient services. This debt was initially entered into in 2011 for the purpose of constructing a new ambulance station headquarters, maintenance garage, and crew facilities on Clydesdale Parkway in Loveland and refinanced in 2022 for a lower interest rate.

Additional information on the District's debt can be found in Note 4 of the financial statements.

Lease Liability and Right of Use Assets. Per updated reporting requirements in GASB Statement No. 87, the District is a lessee for a lease of medical equipment installed in the ambulances along with equipment from Dell. The District recognizes lease liabilities and right of use lease assets in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$5,000 or more.

Additional information on the District's leases can be found in Note 5 to the financial statements.

OTHER MATTERS

The following factors are expected to have a significant effect on the District's future financial position and results of operations:

- Additional reductions in ambulance reimbursement rates are anticipated. Medicare/Medicaid rates have decreased and private insurance carriers have decreased their reimbursements similarly.
- The assessed valuation of property in the District decreased for 2025, resulting in a property taxes expected of \$5,373,168,

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of TVHSD's finances for all those with an interest in the District's finances. Questions concerning any of the information provided or for additional financial information should be addressed to the District, 4480 Clydesdale Parkway, Loveland, Colorado 80538 or (970) 663-6025.

THOMPSON VALLEY HEALTH SERVICES DISTRICT

STATEMENTS OF NET POSITION

December 31	2024	2023
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 7,658,181	\$ 6,557,843
Patient accounts receivable, net	2,051,948	1,388,938
Property taxes receivable	5,373,168	5,587,148
Other receivable	-	112,464
Prepaid items	175,743	208,755
Total Current Assets	15,259,040	13,855,148
Capital Assets:		
Land	868,576	868,576
Depreciable Assets	11,670,163	10,606,036
	12,538,739	11,474,612
Less: Accumulated depreciation	(6,952,044)	(6,357,963)
Total Capital Assets	5,586,695	5,116,649
Right of use asset, net of amortization	153,587	266,758
TOTAL ASSETS	\$ 20,999,322	\$ 19,238,555
LIABILITIES		
Accounts payable	\$ 43,273	\$ 375,259
Accrued expenses	788,962	810,422
Lease liability	175,922	289,602
Certificates of Participation	2,282,007	2,388,234
TOTAL LIABILITIES	\$ 3,290,164	\$ 3,863,517
DEFERRED INFLOWS OF RESOURCES		
Deferred Revenue	\$ 5,373,168	\$ 5,587,148
NET POSITION		
Net Investment in Capital Assets	3,304,687	2,796,251
Restricted - emergencies	192,645	153,060
Board reserved -debt repayment	1,300,000	1,200,000
Unrestricted	7,538,658	5,638,579
TOTAL NET POSITION	\$ 12,335,990	\$ 9,787,890

See Accompanying Notes to Financial Statements.

THOMPSON VALLEY HEALTH SERVICES DISTRICT

STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION

Years Ended December 31	2024	2023
Operating Revenue:		
Net patient service revenue	\$ 8,117,026	\$ 6,032,533
Other	103,497	66,939
Total Operating Revenue	8,220,523	6,099,472
Operating Expenses:		
Salaries and benefits	9,770,969	8,074,878
Ambulance service operations	1,777,593	1,510,156
Plant operations	311,549	319,009
Bad debt expense	131,552	828,051
Professional fees and insurance	150,310	24,617
Public relations	36,469	47,817
Administration	46,195	86,217
County Treasurer's fee	111,110	94,693
Lease expense	16,405	133,313
Depreciation and amortization	759,217	567,191
Total Operating Expenses	13,111,369	11,685,942
Operating Loss	(4,890,846)	(5,586,470)
Nonoperating Revenue (Expenses):		
Property taxes	6,421,510	5,089,264
Grant revenues	118,675	15,002
Grant expenses	(26,566)	(91,554)
CO EMS supplemental revenue	702,807	683,326
Other	82,710	-
Interest income	203,784	192,454
Interest expense	(63,974)	(69,120)
Net Nonoperating Revenue	7,438,946	5,819,372
Net Income	2,548,100	232,902
Net Position, Beginning of Year	9,787,890	9,554,988
Net Position, End of Year	\$ 12,335,990	\$ 9,787,890

THOMPSON VALLEY HEALTH SERVICES DISTRICT

STATEMENTS OF CASH FLOWS

Years Ended December 31	2024	2023
Cash Flows from Operating Activities:		
Cash received:		
From customers	\$ 7,785,699	\$ 5,555,715
Cash payments:		
To suppliers for goods and services	(3,025,169)	(2,801,437)
To employees	(9,770,969)	(8,074,878)
Net Cash Used by Operating Activities	(5,010,439)	(5,320,600)
Cash Flows from Non-Capital Financing Activities:		
Property taxes	6,540,185	5,089,264
CO EMS Supplemental Revenue	702,807	683,326
Net Cash Provided by Non-Capital Financing Activities	7,242,992	5,772,590
Cash Flows from Capital and Related Financing Activities:		
Acquisition of equipment and improvements	(1,116,092)	(558,495)
(Reduction) Increase in lease liability	(113,680)	13,975
Payments on COP's	(106,227)	(101,227)
Net Cash Used by Capital and Related Financing Activities	(1,335,999)	(645,747)
Cash Flows from Investing Activities:		
Interest on bank deposits	203,784	192,454
Net Increase in Cash	1,100,338	14,726
Cash, beginning of year	6,557,843	6,543,117
Cash, end of year	\$ 7,658,181	\$ 6,557,843

Reconciliation of Operating Loss to Net Cash Used

by Operating Activities:		
Operating loss	\$ (4,890,846)	\$ (5,586,470)
Depreciation and amortization	751,387	571,681
Change in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(550,546)	(543,759)
Property tax receivable	213,980	(1,086,291)
Prepaid items	33,012	(48,056)
Increase (decrease) in:		
Accounts payable	(331,986)	202,054
Accrued liabilities	(21,460)	83,950
Property tax deferred inflows	(213,980)	1,086,291
Net Cash Used by Operating Activities	\$ (5,010,439)	\$ (5,320,600)

See Accompanying Notes to Financial Statements.

THOMPSON VALLEY HEALTH SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies:

The accounting and reporting policies of the Thompson Valley Health Services District (the District) conform to accounting principles generally accepted in the United States. The following summary of significant accounting policies is presented to assist the reader in evaluating the District's financial statements.

Organization:

Thompson Valley Health Services District (the District) was created by state statute on August 16, 1968 to provide medical services for the District under the name of Loveland Memorial Hospital District. Effective June 30, 1977, Loveland Memorial Hospital District changed its name to Thompson Valley Hospital District. Subsequent to that, effective June 28, 1998, the name changed to Thompson Valley Health Services District, as a quasi-municipal corporation organized under the laws of the State of Colorado. The statutory purpose of such districts is to serve a public use and to promote the health, safety, prosperity, security and general welfare of the inhabitants of the District. The District is governed by a duly elected Board of Directors (the Board). The Board is responsible for approving the District's budget, contracts and purchases. The governing Board has the statutory right to tax all property within the District and determines when to issue bonds authorized by the District's voters. The District is responsible for financing its deficits and operating deficiencies.

The financial report of the District includes all of the integral parts of the District's operations. The District has determined that it has no financial accountability for any other agency which would require it to be in the reporting entity.

Basis of Presentation:

Activities of the District are accounted for as an individual enterprise fund. Enterprise funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises.

Enterprise funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their statement of net position. Enterprise fund operating statements present increases (revenue) and decreases (expenses) in net total position.

THOMPSON VALLEY HEALTH SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Basis of Presentation – Continued:

Enterprise funds distinguish *operating* revenues from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the District are charges for providing ambulance services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Accounting Method:

Enterprise fund revenue and expenses including nonexchange transactions are recognized on the accrual basis of accounting. Revenue is recognized in the year in which it is earned and becomes measurable; expenses are recognized when liabilities are incurred.

Accounts Receivable:

The District records revenue from ambulance services at standard rates less expected provider contractual adjustments. Receivables are reported net of an allowance for uncollectible accounts. The allowance for uncollectible accounts netted against accounts receivable was \$2,051,829 and \$1,388,938 at December 31, 2024 and 2023, respectively.

The federal Medicare and Colorado Medicaid programs provide approximately 23% of the District's net patient service revenue.

Property and Equipment:

Property and equipment are recorded at acquisition cost or at market value if contributed. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

Category	Years
Buildings and improvements	20-40
Furnishings	5-10
Equipment	5

THOMPSON VALLEY HEALTH SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Property and Equipment – Continued:

Expenditures for maintenance and repairs are charged to expense as incurred whereas major property replacements and betterments which extend the useful life of the asset are capitalized and subsequently depreciated. It is the District's policy to capitalize all capital expenditures over \$5,000. When assets are sold or abandoned, the cost and accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized. The District has no infrastructure assets.

Budget:

An annual budget and appropriation resolution is adopted by the Board of Directors in accordance with the Local Government Budget Law. The budget is prepared on a basis consistent with generally accepted accounting principles, except that depreciation expense is not budgeted. The fund level of classification is the level at which expenditures may not legally exceed appropriations. All annual appropriations lapse at year end.

The Board is authorized to transfer budgeted amounts within departments of each fund. Any revisions that alter the total appropriation for each department must be approved by the Board through a supplemental appropriation resolution. The budget was not amended in 2024.

Compensated Absences:

In 2024, Thompson Valley Health Services District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. GASB 101 establishes standards for recognizing and measuring liabilities and expenses related to compensated absences, including vacation leave, sick leave, and other paid time off. The impact of the adoption was not material to the financial statements and primarily resulted in enhanced disclosures only.

GASB 101 requires the recognition of a liability for compensated absences that are attributable to services already rendered, based on established policies and applicable laws. The liability is measured using the pay or salary rates in effect at the financial reporting date. Liabilities are recognized only for compensated absences that are expected to result in payments to employees (e.g. cash payouts, leave used during employment, or other settlements).

Full-time employees receive annual leave which includes vacation and sick leave together. Days earned accumulate varying from 24 to 40 days per year depending on years of service with the District. The maximum accrual is between 30 and 54 days, depending on length of service.

THOMPSON VALLEY HEALTH SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Property Taxes:

Property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in the subsequent year in two installments on February 28 and June 15, or in total on April 30. Property taxes are billed and collected by Larimer County, Colorado, and remitted monthly to the District. Taxes for the following year are levied no later than December 15 and are recorded as a receivable with a corresponding offset to deferred property taxes.

Property tax revenue is reported net of property tax abatements for the year ended December 31, 2024. Numerous tax increment financing districts have been established by municipalities in the District.

The original January 1, 2024 levy for the General Fund of the District was 1.76 mills or approximately \$5,828,280.

Statement of Cash Flows:

For purposes of the statement of cash flows, the District considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Use of Estimates:

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

NOTE 2 - Cash and Investments:

The District's bank deposits at year-end were entirely covered by federal depository insurance and the Colorado Public Deposit Protection Act.

The Colorado Public Deposit Protection Act requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance. Eligible collateral includes municipal bonds, U.S. government securities, mortgages, and deeds of trust.

THOMPSON VALLEY HEALTH SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – Changes in Capital Assets:

	Balance, 1/1/24	Additions	Deletions	Balance, 12/31/24
Land	\$ 868,576	\$ --	\$ --	\$ 868,576
Depreciable assets				
Ambulance stations	4,403,024	--	--	4,403,024
Vehicles	2,887,479	433,293	51,965	3,268,807
Mobile equipment	2,335,118	539,778	--	2,874,896
Furnishings	980,415	143,021	--	1,123,436
Total Depreciable Assets	10,606,036	1,116,092	51,965	11,670,163
Total Cost	11,474,612	1,116,092	51,965	12,538,739
Less Accumulated Depreciation:				
Ambulance stations	1,721,701	130,540	--	1,852,241
Vehicles	1,738,700	302,083	51,965	1,988,818
Mobile equipment	2,025,335	155,274	--	2,180,609
Furnishings	872,227	58,149	--	930,376
Total Accumulated Depreciation	6,357,963	646,046	51,965	6,952,044
Capital Assets, Net	\$ 5,116,649	\$ 470,046	\$ --	\$ 5,586,695

	Balance, 1/1/23	Additions	Deletions	Balance, 12/31/23
Land	\$ 868,576	\$ --	\$ --	\$ 868,576
Ambulance stations	4,257,734	145,290	--	4,403,024
Vehicles	2,772,873	206,673	92,067	2,887,479
Mobile equipment	2,200,232	134,886	--	2,335,118
Furnishings	980,415	--	--	980,415
Total Cost	11,079,830	486,849	92,067	11,474,612
Less Accumulated Depreciation:				
Ambulance stations	1,604,479	117,222	--	1,721,701
Vehicles	1,556,195	274,572	92,067	1,738,700
Mobile equipment	1,907,192	118,143	--	2,025,335
Furnishings	814,973	57,254	--	872,227
Total Accumulated Depreciation	5,882,839	567,191	92,067	6,357,963
Capital Assets, Net	\$ 5,196,991	\$ (80,342)	\$ --	\$ 5,116,649

THOMPSON VALLEY HEALTH SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – Long Term Liabilities:

December 31	2024	2023
\$2,395,000 refunding certificates of participation – 2022, due in varying installments through December 2040, interest at 3.23%	\$ 2,120,000	\$ 2,215,000
COP Premium	162,007	173,234
	\$ 2,282,007	\$ 2,388,234

The annual requirements to repay these certificates as of December 31, 2024, are as follows:

Years Ending December 31	Principal	Interest	Total
2025	\$ 100,000	\$ 71,400	\$ 171,400
2026	105,000	67,400	172,400
2027	105,000	63,200	168,200
2028	110,000	59,000	169,000
2029	115,000	54,600	169,600
Thereafter	1,585,000	305,200	1,890,200
	\$2,120,000	\$620,800	\$2,740,800

Changes in long-term liabilities during the year were as follows:

	Balance, 1/01/24	Additions	Deductions	Balance, 12/31/24	Due Within One Year
COP's	\$ 2,215,000	\$ --	\$ 95,000	\$ 2,120,000	\$100,000
Premium	173,234	--	11,227	162,007	--
Total	\$ 2,388,234	\$ --	\$ 106,227	\$ 2,282,007	\$100,000

On December 1, 2022, the District advance refunded and decreased \$2,840,000 of COP's, Series 2010 dated October 21, 2010 with an average interest rate of 5.0% by the issuance of \$2,395,000 COP's, Series 2023 dated December 1, 2023 with an average interest rate of 3.23%. The District reduced its aggregate debt service payments by almost \$1,159,675 over the next 18 years and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$663,314. The District incurred a cost on refunding in the amount of \$67,033, which was charged to operations in 2022.

THOMPSON VALLEY HEALTH SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – Long Term Liabilities - Continued:

Changes in compensated absences during the year were as follows:

	Balance, 1/1/24	Net Additions	Balance, 12/31/24	Due Within One year
Compensated Absences	\$ 446,185	\$42,627	\$488,812	\$244,406

NOTE 5 – Lease Liability and Right of Use Assets:

The District is a lessee for medical equipment installed in ambulances. The District recognizes lease liabilities and intangible right-of-use lease assets (lease assets) in the government-wide financial statements. At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include how the District determines the discount rate it uses to discount the expected lease payments to present value, lease term, and lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases, or 5%.
- The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and any purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

THOMPSON VALLEY HEALTH SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – Lease Liability and Right of Use Assets - Continued:

Changes in right of use assets during the year were as follows:

	Balance, 1/01/2024	Additions	Deductions	Balance, 12/31/24
Leased Assets:				
Medical Equipment	\$181,137	\$ --	\$ 77,630	\$ 103,507
Dell equipment	85,621	--	35,541	50,080
Total	\$266,758	\$ --	\$ 113,171	\$ 153,587

Changes in lease liabilities during the year were as follows:

	Balance, 1/01/24	Additions	Deductions	Balance, 12/31/24	Due Within One Year
Lease Liability:					
Medical Equipment	\$ 199,314	\$ --	\$ 79,842	\$ 119,472	\$ 83,535
Dell Equipment	90,289	--	33,839	56,450	34,750
Total	\$ 289,603	\$ --	\$ 113,681	\$ 175,922	\$ 118,285

The annual requirements to pay the medical equipment lease as of December 31, 2024, are as follows:

Years Ending December 31	Principal	Interest	Total
2025	\$ 83,535	\$ 3,692	\$ 87,227
2026	35,937	407	36,344
Total	\$ 119,472	\$ 4,099	\$ 123,571

The annual requirements to pay the Dell equipment lease as of December 31, 2024, are as follows:

Years Ending December 31	Principal	Interest	Total
2025	\$ 34,749	\$ 1,080	\$ 35,829
2026	21,701	157	21,858
Total	\$ 56,450	\$ 1,237	\$ 57,687

THOMPSON VALLEY HEALTH SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 6 – Deferred Compensation Plan:

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administrated by Empower Retirement. The District has the authority to establish and amend the plan provisions. The plan, available to all full-time District employees, permits them to defer a portion of their salaries until future years. All amounts of compensation deferred; all property and rights purchased; and all income, property or rights are (until paid or made available to the employee or other beneficiary) held in trust for the exclusive benefit of the participants and their beneficiaries. Employees contributed \$226,267 and \$180,308 for the years ended December 31, 2024, and 2023, respectively and the District contributed \$119,274 and \$99,310 for the years ended December 31, 2024 and 2023, respectively.

NOTE 7 – Retirement Plan:

The District's retirement plan is administrated by Empower Retirement. The Plan is a defined contribution retirement plan, which provides retirement benefits for all full-time permanent employees. The District has the authority to establish and amend the plan provisions. The District contributed \$160,787 and \$126,739 for the years ended December 31, 2024 and 2023, respectively, equal to 3.0% of the permanent full-time employees' gross salaries, who also had a 3.0% required contribution of \$160,787 and \$126,739, respectively. Employees become 33.3% vested in the District's contribution each full year of employment and become fully vested after three full years of employment. Forfeitures have not been material to the financial statements.

NOTE 8 – Commitments and Contingencies:

The District is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by insurance purchased through the Colorado Special Districts Property and Liability Pool. Claims have not exceeded coverage in the last three years.

The District contracts with the City of Loveland for dispatch services. On December 28, 2010, the District signed a one-year contract with automatic renewal for one-year periods up to and including January 1, 2024. The commitment under the contract totaled \$257,403 and \$252,429 in 2024 and 2023, respectively. The renewal fee for each year is based on 102.5% of the prior year's amount.

THOMPSON VALLEY HEALTH SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – Commitments and Contingencies - Continued:

In 1992, the Colorado voters approved the “Taxpayer’s Bill of Rights” (TABOR). TABOR requires voter approval for any new tax, tax rate increase, mill levy increase, or new debt. Voter approval is also required to increase annual property taxes, revenue, or spending by more than inflation plus a local growth factor. Spending not subject to TABOR includes that from enterprise activities, such as ambulance, and federal funds.

The District believes it is in compliance with the requirements of TABOR. In 1999 the voters of the District removed the spending limitations imposed by TABOR and allowed the District to retain and expend all revenue received.

THOMPSON VALLEY HEALTH SERVICES DISTRICT

**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN
FUND NET POSITION-BUDGET TO ACTUAL - NON-GAAP BASIS**

Year Ended December 31, 2024	Actual	Final Budget	Variance
Operating Revenues:			
Gross patient service revenue	\$ 12,285,917	\$ 10,525,000	\$ 1,760,917
Contractual adjustments	(4,168,891)	(4,953,000)	784,109
Other revenue	103,497	32,650	70,847
Total Operating Revenues	8,220,523	5,604,650	2,615,873
Operating Expenses:			
Salaries and benefits	9,770,969	9,469,439	(301,530)
Ambulance service operations	1,777,593	1,822,929	45,336
Plant operations	311,549	340,000	28,451
Bad debt expense	131,552	630,000	498,448
Professional fees and insurance	150,310	185,000	34,690
Public relations	36,469	68,000	31,531
Administration	46,195	142,250	96,055
County Treasurer's fee	111,110	126,480	15,370
Lease interest expense	16,405	150,000	133,595
Capital outlay	1,116,092	1,370,950	254,858
Total Operating Expenses	13,468,244	14,305,048	836,804
Operating Loss	(5,247,721)	(8,700,398)	3,452,677
Nonoperating Revenue (Expense):			
Property taxes	6,421,510	6,128,280	293,230
Grant revenues	118,675	115,000	3,675
Program/grant expense	(26,566)	(321,000)	294,434
CO EMS supplemental revenue	702,807	500,000	202,807
Interest expense	(63,974)	(142,000)	78,026
Other income	82,710	15,250	67,460
Interest income	203,784	135,000	68,784
Total Nonoperating Revenue	7,438,946	6,430,530	1,008,416
Net Income (Loss), Non-GAAP Budget Basis	\$ 2,191,225	\$ (2,269,868)	\$ 4,461,093
Reconciliation of Revenue Over			
Expenditures To Changes in Net Position:			
Capital outlay	1,116,092		
Depreciation and amortization	(759,217)		
Net Income, GAAP Basis	\$ 2,548,100		