NORTH FORK AMBULANCE HEALTH SERVICE DISTRICT

Financial Statements and
Report of Independent Auditor
For the Year Ended December 31, 2025

NORTH FORK AMBULANCE HEALTH SERVICE DISTRICT

TABLE OF CONTENTS
December 31, 2025

	Page Number
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	16

Blair and Associates, P.C.
Cedaredge, Colorado

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
North Fork Ambulance Health Services District
Hotchkiss, Colorado

Opinions
We have audited the accompanying financial statements of the governmental activities of the North Fork Ambulance Health Services District as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the North Fork Ambulance Health Services District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, of the North Fork Ambulance Health Services District as of December 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions
We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the North Fork Ambulance Health Services 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 North Fork Ambulance Health Services 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 of America require that the management's discussion and analysis and 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, CO
March 27, 2026

Management's Discussion and Analysis
North Fork EMS District
Fiscal Year 2025

The discussion and analysis are designed to provide an analysis of the District's financial condition and operating results and to inform the reader about the 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, 2025 (See pages 16)

STATEMENT OF NET POSITION

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

Years ended December 31,	2025	2024
Current assets	$ 2,280,418	$ 2,855,731
Capital assets (net of depreciation)	1,235,748	724,973
Total assets	3,516,166	3,580,704
Current liabilities	40,202	44,413
Long-term Liabilities:		
Compensated Absences	46,378	23,554
Deferred Inflows:		
Porperty Taxes	1,238,507	1,195,662
Net Position:		
Invested in capital assets	1,235,748	724,973
Restricted for Tabor emergency	61,000	68,000
Nonspendable	21,581	17,565
Committed	-	-
Unrestricted	872,750	1,506,537
Total Net Position	$ 2,191,079	$ 2,317,075

The net position of the District decreased by $125,996 in 2025. This is in large part due to a decrease in investments. and an increase in liabilities. The District's total assets were $3,516,166 in 2025. The District's total liabilities were $86,580 in 2025.

Management's Discussion and Analysis
North Fork EMS District
Fiscal Year 2025

REVIEW OF REVENUES

Years ended December 31,	2025	2024
Operating revenue		
Charges for services	$ 553,130	$ 565,244
Total	553,130	565,244
Non-operating revenue		
Specific ownership tax	142,930	140,584
General property tax	1,198,927	1,313,533
Interest income	40,206	73,065
Other revenue	20,478	37,574
Grants	163,757	116,985
Total	1,566,298	1,681,741
Total revenue	$ 2,119,428	$ 2,246,985

The District's total revenues decrease $127,557 from $2,246,985 in 2024. The major reason for this was a decrease in interest income and property taxes.

REVIEW OF EXPENDITURES

Years ended December 31,	2025	2024
Operating expenditures:		
Ambulance operations	$ 2,756,199	$ 2,060,724
Depreciation	106,862	129,570
Capital outlay	(617,637)	(282,775)
Total Expenditures	$ 2,245,424	$ 1,907,519

The major capital asset purchase for 2025 were the purchase of property and a building in Paonia.

ECONOMICS AND OTHER FACTORS

The North Fork Valley of Colorado continues to experience significant demographic and economic transformations that directly impact emergency medical services.

In FY 2025, population growth, driven partly by an influx of retirees and remote workers seeking a rural lifestyle, has resulted in increased demand for healthcare and EMS services. Delta County maintains a notably older population, with residents over 65 years old comprising nearly double the state average. This aging demographic places added pressure on EMS response and transport capabilities, as older individuals typically require more frequent and complex medical interventions,

Simultaneously, the local labor market remains constrained. An aging population and a shrinking workforce have made recruiting and retaining qualified EMS personnel increasingly challenging. Although service call volume and billing revenue have grown, workforce limitations and the high cost of housing remain of critical operational concern.

North Fork Ambulance Health Services District continues to proactively address these emerging needs. The EMS Board maintains its conservative and responsible approach to fiscal management, prioritizing investments in staffing, training, updated equipment, and reliable vehicles.

Significant variation between original and final budget were due largely to a capital outlay of $617,637, to purchase property and a building. Surplus from the general fund was used to purchase the property at 597 Clock Road in Paonia, Colorado, to help address staffing shortages due to limited housing options for crew members. This property provides crew housing and an ambulance garage. It is a significant upgrade for the Paonia station and will serve the community for many years to come. Infrastructure improvements such as this are guided by a commitment to sustainability and service responsiveness, ensuring the provision of high-quality emergency medical services to all communities in the valley despite evolving demographic and economic pressures.

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, NRP, CP-C District Chief, 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, 2025

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash and cash equivalents	$ 85,072	$ -	$ 85,072
Accounts receivable rescue(Net of allowance of $67,330)	43,505	-	43,505
Property taxes receivable	1,238,507	-	1,238,507
Other receivable	9,777	-	9,777
Prepaid expenses	21,581	-	21,581
Investments	881,976	-	881,976
Capital Assets (net of accumulated depreciation):			
Land	-	192,736	192,736
Building and improvements	-	840,029	840,029
Rescue vehicles	-	686,864	686,864
Equipment	-	27,619	27,619
Rescue equipment	-	175,065	175,065
Construction in process	-	-	-
Accumulated depreciation	-	(686,565)	(686,565)
TOTAL ASSETS	$ 2,280,418	$ 1,235,748	$ 3,516,166
LIABILITIES			
Accounts payable	$ 16,484	$ -	$ 16,484
Accrued payroll	20,070	-	20,070
Accrued expenses	3,648	-	3,648
Long-term liabilities:			
Compensated absences	46,378	-	46,378
TOTAL LIABILITIES	86,580	-	86,580
DEFERRED INFLOWS			
Property Taxes	1,238,507	-	1,238,507
FUND BALANCES AND NET POSITION			
Restricted-Emergency reserve - Tabor	61,000	(61,000)	-
Non-spendable	21,581	(21,581)	-
Unassigned	872,750	(872,750)	-
TOTAL FUND BALANCES	955,331	(955,331)	-
TOTAL LIABILITIES AND FUND BALANCES	$ 2,280,418		
NET POSITION			
Invested in capital assets, net of related debt		1,235,748	1,235,748
Restricted for:			
Tabor emergency		61,000	61,000
Unrestricted		894,331	894,331
TOTAL NET POSITION		$ 2,191,079	$ 2,191,079

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, 2025

Adjustments to reconcile the governmental fund balance sheet to the statement of Net Position are as follows:		
Fund balance per general fund balance sheet	$	955,331
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		1,235,748
Net Position for governmental activities	$	2,191,079

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, 2025

	General Fund	Adjustments (See Page 10)	Statement of Activities
EXPENDITURES/EXPENSES			
EMS operations	$ 2,138,562	$ -	$ 2,138,562
Capital outlay	617,637	(617,637)	-
Depreciation	-	106,862	106,862
Total expenditures/expenses	2,756,199	(510,774)	2,245,424
PROGRAM REVENUES			
Charges for services	553,130	-	553,130
Net program expenses	(2,203,069)	(510,774)	(1,692,294)
GENERAL REVENUES			
Property taxes	1,198,927	-	1,198,927
Specific ownership	142,930	-	142,930
Interest income	40,206	-	40,206
Grant income	163,757	-	163,757
Miscellaneous income	20,478	-	20,478
Total general revenues	1,566,298	-	1,566,298
Excess of (expenditures) over revenues	(636,771)	510,774	
Change in Net Position			(125,996)
FUND BALANCE/NET POSITION			
Beginning of the year	1,592,102	724,973	2,317,075
End of the year	$ 955,331	$ 1,235,747	$ 2,191,079

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, 2025

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)	$	(636,771)
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		617,637
Depreciation		(106,862)
		510,774
Change in Net Position of governmental activities (page 9)	$	(125,996)

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

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 Districts 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 of 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.

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 on the following major governmental funds:

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

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 a "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.

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 PTO for full-time employees after completion of 180 days of employment. PTO for 24-hour shift full-time employees range from 2 24-hr shift on up to one year of service to 18.5 24-hour shifts for 25 plus years of service. No more than twice the annual PTO accrual rate may be accumulated.

PTO for 8-hour day full-time employees range up to 6 days for one year of service to 28 days for 25 plus years of service. No more than twice the annual PTO accrual may be accumulated.

For the year ended December 31, 2025, the PTO accrued was $46,378.

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**

The 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.

Note 2 - Capital Asset

	Balance 1/1/2025	Additions	Deletions	Balance 12/31/2025
Building	$ 367,392	$ 472,637	$ -	$ 840,029
Medical Equipment	175,065	-	-	175,065
Equipment	27,619	-	-	27,619
Rescue Vehicles	711,864	-	(25,000)	686,864
Fixed Assets being depreciated	1,281,940	472,637	(25,000)	1,729,577
Less accumulated depreciation	(604,703)	(106,862)	25,000	(686,565)
Net	677,237	365,775	-	1,043,012
Land	42,736	150,000	-	192,736
CIP	5,000	-	(5,000)	-
Net Fixed Assets	$ 724,973	$ 515,775	$ (5,000)	$ 1,235,748

In 2025, the Districts depreciation was $106,862 The depreciation was charged directly to the various functions as follows:

Building	$ 15,093
Medical equipment	22,532
Equipment	3,189
Medical vehicles	66,048
Total	$ 106,862

Note 3 - Budget to Actual Comparison

	General Fund
Revenue and other financing resources	
GAAP and Budgetary basis	$ 2,119,428
2025 Budgeted resources	2,109,192
Variance Favorable (Unfavorable)	$ 10,236
Expenditures-GAAP basis	$ 2,245,424
Modification to GAAP basis	
Capital outlays	617,637
Depreciation	(106,862)
Expenditures-Budgeted basis	2,756,199
2025 Budgeted expenditures	2,751,051
Variance Favorable (Unfavorable)	$ (5,148)

The district may be in violation of Colorado budget law.

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, 2025, the District's cash deposits had a bank balance of $84,940, all of which was covered by federal depository insurance.

In 2025, the district invested in CSAFE-Colorado Core Fund. This investment carries a NAV of 2.000296138 per share. It is rated by Fitch as AAAf/S1. On December 31, 2025, the carrying value of the investment was $881,976.

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.

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 the use of resolution by 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 Committed or Assigned fund classification in 2025.

Note 6 – Fund Balance Classification Policies and Procedures - Continued

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,
- Unassigned.

Note 7 – Pension

Defined Contribution

The District has 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, 2021.

Employees are immediately invested 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.

During 2025, the District and employees each made their respectively required 8% contribution amounting to $47,508, for a total of $95,016. There were no forfeitures reflected in pension expense recognized by the District in 2025.

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 employees' pay. Employer and employee contributions began January 1, 2021. The contribution for the District for 2025 amounted to $40,997.

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, 2025

	General Fund				
	Original Budget	Amended Budget	Variance between Original and Amended	Actual	Variance Favorable (Unfavorable)
Revenue:					
General property taxes	$ 1,195,662	$ 1,197,819	$ 2,157	$ 1,198,927	$ 1,108
Specific ownership tax	142,000	142,000	-	142,930	930
Ambulance	540,098	540,098	-	553,130	13,032
Interest income	75,000	36,000	(39,000)	40,206	4,206
Grant income	153,000	176,325	23,325	163,757	(12,568)
Miscellaneous	32,400	16,950	(15,450)	20,478	3,528
Total Revenues	2,138,160	2,109,192	(28,968)	2,119,428	10,236
Expenditures:					
Administrative:					
Salaries	30,000	33,000	3,000	34,687	(1,687)
Professional fees	41,900	69,000	27,100	70,441	(1,441)
Public relations	95,700	109,900	14,200	95,341	14,559
Insurance	60,600	64,650	4,050	63,046	1,604
Treasurers fees	27,150	27,150	-	27,356	(206)
Director's fees	7,200	7,200	-	6,200	1,000
Bad debts	52,000	52,000	-	59,349	(7,349)
Contingency and all other	85,250	78,685	(6,565)	65,186	13,499
Total Administration	399,800	441,585	41,785	421,606	19,979
Operations:					
EMS operations	116,480	128,180	11,700	133,153	(4,973)
Annual contracts	26,976	18,376	(8,600)	17,118	1,258
Apparatus/Vehicle expense	33,860	34,610	750	43,929	(9,319)
EMS education	18,100	18,825	725	12,640	6,185
Payroll & benefits	1,533,360	1,493,400	(39,960)	1,510,116	(16,716)
Total Operations	1,728,776	1,693,391	(35,385)	1,716,956	(23,565)
Capital Outlay Major	16,000	616,075	600,075	617,637	(1,562)
Total Expenditures	2,144,576	2,751,051	606,475	2,756,199	(5,148)
Revenue Over (Under) Expenditures	(6,416)	(641,859)	(635,443)	(636,771)	5,088
Fund Balance-Beginning of Year	1,180,002	1,222,402	42,400	1,592,102	369,700
Fund Balance-End of Year	$ 1,173,586	$ 580,543	$ (593,043)	$ 955,331	$ 374,788