

TRINIDAD AMBULANCE DISTRICT

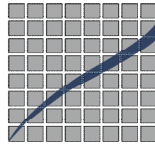
LAS ANIMAS COUNTY, COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2024

TABLE OF CONTENTS

| | |
|--|----|
| Independent auditor's report | i |
| <hr/> | |
| BASIC FINANCIAL STATEMENTS | |
| Government-wide financial statements | |
| Statement of net position | 1 |
| Statement of activities | 2 |
| <hr/> | |
| Fund financial statements | |
| Balance sheet - governmental fund | 3 |
| Statement of revenues, expenditures, and changes in fund balance - governmental fund | 4 |
| Reconciliation of the statement of revenues, expenditures, and changes in fund balance of governmental fund to the statement of activities | 5 |
| General fund - statement of revenues, expenditures, and changes in fund balance (budget and actual) | 6 |
| Statement of net position - proprietary fund | 7 |
| Statement of revenues, expenses, and changes in net position - proprietary fund | 8 |
| Statement of cash flows - proprietary fund | 9 |
| Notes to financial statements | 10 |
| <hr/> | |
| SUPPLEMENTARY INFORMATION | |
| Transportation revenue fund - schedule of revenues and expenditures - budget compared to actual - budgetary basis | 24 |
| Reconciliation of amounts from US GAAP basis to budgetary basis | 25 |



BiggsKofford

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Trinidad Ambulance District
Las Animas County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Trinidad Ambulance District ("District") as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the District as of December 31, 2024, the respective changes in financial position, the budgetary comparison for the general fund and, where applicable, cash flows thereof 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 the report. We are required to be independent of the District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 12, these financial statements have been restated for the adoption of GASB Statement No. 101, GASB Statement No. 100, change within the financial reporting entity, and for the correction of errors in the previously issued December 31, 2023, financial statements. Our opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America, 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.

Other Matters

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 which 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 District's basic financial statements. The supplementary information, as identified in the table of contents, 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. Such 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

BiggsKofford, P.C.

Colorado Springs, Colorado
September 24, 2025

TRINIDAD AMBULANCE DISTRICT

STATEMENT OF NET POSITION

DECEMBER 31, 2024

| | Governmental Activities | Business-Type Activities | Total |
|---|----------------------------|-----------------------------|------------------|
| <u>ASSETS</u> | | | |
| Cash and investments | \$ 1,853,368 | \$ 1,722,322 | \$ 3,575,690 |
| Cash and investments - restricted | 159,500 | 93,090 | 252,590 |
| Receivable from County Treasurer | 78,442 | - | 78,442 |
| Accounts receivable, net | 17,485 | 662,100 | 679,585 |
| Grants receivable | 144,698 | - | 144,698 |
| Property taxes receivable | 1,061,197 | - | 1,061,197 |
| Inventories | - | 94,130 | 94,130 |
| Due from governmental activities | - | 241,375 | 241,375 |
| Due from business-type activities | 996,469 | - | 996,469 |
| Prepaid expenses | 30,895 | - | 30,895 |
| Capital assets, non-depreciable | 214,371 | - | 214,371 |
| Capital assets, net | 5,944,740 | 608,176 | 6,552,916 |
| Total assets | 10,501,165 | 3,421,193 | 13,922,358 |
| <u>LIABILITIES</u> | | | |
| Accounts payable | 310,433 | 41,600 | 352,033 |
| Accrued interest | - | 33,852 | 33,852 |
| Due to governmental activities | - | 996,469 | 996,469 |
| Due to business-type activities | 241,375 | - | 241,375 |
| Accrued wages and benefits | 7,785 | 26,114 | 33,899 |
| Accrued compensated absences | 63,039 | 47,406 | 110,445 |
| Series 2024 Revenue Bond | - | 3,207,000 | 3,207,000 |
| Total liabilities | 622,632 | 4,352,441 | 4,975,073 |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | |
| Deferred property taxes | 1,061,197 | - | 1,061,197 |
| Total deferred inflows of resources | 1,061,197 | - | 1,061,197 |
| <u>NET POSITION</u> | | | |
| Net investment in capital assets | (1,200,362) | (1,526,004) | (2,726,366) |
| Restricted: | | | |
| Emergency reserve | 159,500 | - | 159,500 |
| Bond account reserve | - | 68,892 | 68,892 |
| Debt reserve | - | 13,778 | 13,778 |
| Capital reserve | - | 10,420 | 10,420 |
| Unrestricted | 9,858,198 | 501,666 | 10,359,864 |
| Total net position | \$ 8,817,336 | \$ (931,248) | \$ 7,886,088 |

The accompanying notes and independent auditor's report
should be read with these financial statements.

TRINIDAD AMBULANCE DISTRICT

STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2024

| FUNCTIONS / PROGRAMS | Program Revenues | | | | Net (Expenses) Revenues and Changes in Net Position | | |
|--|---------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|---------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| | | | | | | | |
| Primary government: | | | | | | | |
| Government activities: | | | | | | | |
| General government | \$ 1,426,055 | \$ 27,907 | \$ 594,372 | \$ - | \$ (803,776) | \$ - | \$ (803,776) |
| Total government activities | 1,426,055 | 27,907 | 594,372 | - | (803,776) | - | (803,776) |
| Business-type activities: | | | | | | | |
| Transportation revenue fund | 1,424,649 | 1,754,386 | - | - | - | 329,737 | 329,737 |
| Total | \$ 2,850,704 | \$ 1,782,293 | \$ 594,372 | \$ - | (803,776) | 329,737 | (474,039) |
| <u>GENERAL REVENUES, TRANSFERS, AND IMPAIRMENT LOSS</u> | | | | | | | |
| Other income | | | | | 17,206 | 3,215 | 20,421 |
| Property taxes | | | | | 1,432,801 | - | 1,432,801 |
| Specific ownership taxes | | | | | 200,273 | - | 200,273 |
| Investment income | | | | | 26,105 | 4,055 | 30,160 |
| Transfers, net | | | | | 2,855,121 | (2,855,121) | - |
| Impairment loss | | | | | (44,988) | - | (44,988) |
| Total general revenues, transfers, and impairment loss | | | | | 4,486,518 | (2,847,851) | 1,638,667 |
| Change in net position | | | | | 3,682,742 | (2,518,114) | 1,164,628 |
| Net position, beginning of year | | | | | 5,134,594 | 1,586,866 | 6,721,460 |
| Net position, end of year | | | | | \$ 8,817,336 | \$ (931,248) | \$ 7,886,088 |

The accompanying notes and independent auditor's report should be read with these financial statements.

TRINIDAD AMBULANCE DISTRICT
BALANCE SHEET - GOVERNMENTAL FUND
DECEMBER 31, 2024

| | General Fund |
|---|---------------------|
| ASSETS | |
| Cash and investments | \$ 1,853,368 |
| Cash and investments - restricted | 159,500 |
| Receivable from County Treasurer | 78,442 |
| Accounts receivable, net | 17,485 |
| Grants receivable | 144,698 |
| Due from transportation revenue fund | 996,469 |
| Property taxes receivable | 1,061,197 |
| Prepaid expenses | 30,895 |
| Total assets | \$ 4,342,054 |
| LIABILITIES | |
| Accounts payable | \$ 310,433 |
| Due to transportation revenue fund | 241,375 |
| Accrued wages and benefits | 7,785 |
| Total liabilities | 559,593 |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred property taxes | 1,061,197 |
| Total deferred inflows of resources | 1,061,197 |
| FUND BALANCE | |
| Nonspendable | |
| Prepaid expenses | 30,895 |
| Restricted for: | |
| Emergency reserve | 159,500 |
| Unassigned: | |
| Unrestricted | 2,530,869 |
| Total fund balance | 2,721,264 |
| Total liabilities, deferred inflows of resources, and fund balance | \$ 4,342,054 |
| Amounts reported in governmental activities in the statement of net position are different because: | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds: | |
| Capital assets, non-depreciable | \$ 214,371 |
| Capital assets, net | 5,944,740 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds: | |
| Accrued compensated absences | (63,039) |
| Net position of governmental activities | \$ 8,817,336 |

The accompanying notes and independent auditor's report
should be read with these financial statements.

TRINIDAD AMBULANCE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
YEAR ENDED DECEMBER 31, 2024

| | General Fund |
|---|---------------------|
| <u>REVENUES</u> | |
| Property taxes | \$ 1,432,801 |
| Specific ownership taxes | 200,273 |
| Grants | 594,372 |
| Services | 27,907 |
| Other income | 17,206 |
| Investment income | 26,105 |
| Total revenues | 2,298,664 |
| <u>EXPENDITURES</u> | |
| General government: | |
| Bank fees | 637 |
| Capital outlay | 1,810,821 |
| Communications | 17,335 |
| Computer equipment | 4,924 |
| Contract services | 261 |
| County Treasurer fees | 25,968 |
| Directors fees | 1,900 |
| Dues and subscriptions | 16,953 |
| Election | 1,310 |
| Insurance | 208,294 |
| Licenses and permits | 3,081 |
| Miscellaneous expenses | 85,285 |
| Office expense | 25,410 |
| Professional fees | 190,162 |
| Public relations | 250 |
| Repairs and maintenance | 29,642 |
| Salaries and benefits | 382,126 |
| Supplies | 92,054 |
| TIF expense | 3,514 |
| Training and education | 25,888 |
| Travel | 2,017 |
| Utilities | 50,225 |
| Debt service: | |
| Interest payment on short-term construction loan | 87,645 |
| Principal payment on short-term construction loan | 2,249,515 |
| Total expenditures | 5,315,217 |
| Excess of revenues over expenditures | (3,016,553) |
| <u>OTHER FINANCING SOURCES AND USES</u> | |
| Insurance recovery proceeds | 282,817 |
| Proceeds from short-term construction loan | 1,159,313 |
| Transfer from transportation revenue fund, net | 2,855,121 |
| Total other financing sources and uses | 4,297,251 |
| Net change in fund balance | 1,280,698 |
| Fund balance, beginning of year | 1,440,566 |
| Fund balance, end of year | \$ 2,721,264 |

The accompanying notes and independent auditor's report
should be read with these financial statements.

TRINIDAD AMBULANCE DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2024

| | |
|----------------------------|--------------|
| Net change in fund balance | \$ 1,280,698 |
|----------------------------|--------------|

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable assets over the estimated useful lives of the assets. Capital outlay, the conveyance of capital assets to other governments and depreciation expense in the current period are as follows:

| | |
|------------------------------|-----------|
| Capital outlay | 1,810,821 |
| Depreciation | (150,919) |
| Loss on disposal of assets | (11,758) |
| Impairment of capital assets | (327,805) |

The issuance of long-term debt (such as bonds, leases, and developer advances) provides current financial resources to governmental funds, while the repayment of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

| | |
|---|-------------|
| Proceeds from short-term construction loan | (1,159,313) |
| Principal payment on short-term construction loan | 2,249,515 |

Some items in the statement of activities do not provide or require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

| | |
|--|---------|
| Change in compensated absences - governmental activities | (8,497) |
|--|---------|

| | |
|------------------------|---------------------|
| Change in net position | <u>\$ 3,682,742</u> |
|------------------------|---------------------|

The accompanying notes and independent auditor's report should be read with these financial statements.

TRINIDAD AMBULANCE DISTRICT
GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)
YEAR ENDED DECEMBER 31, 2024

| | Original Budget | Final Budget | Actual | Variance |
|---|--------------------|---------------------|---------------------|---------------------|
| REVENUES | | | | |
| Property taxes | \$ - | \$ 1,432,801 | \$ 1,432,801 | \$ - |
| Specific ownership taxes | - | 200,273 | 200,273 | - |
| Grants | - | 594,373 | 594,372 | (1) |
| Services | - | 27,907 | 27,907 | - |
| Other income | - | 17,206 | 17,206 | - |
| Investment income | - | 1,254 | 26,105 | 24,851 |
| Total revenues | - | 2,273,814 | 2,298,664 | 24,850 |
| EXPENDITURES | | | | |
| General government: | | | | |
| Bank fees | - | 637 | 637 | - |
| Capital outlay | - | 2,291,018 | 1,810,821 | 480,197 |
| Communications | - | 17,335 | 17,335 | - |
| Computer equipment | - | 4,924 | 4,924 | - |
| Contract services | - | 261 | 261 | - |
| County Treasurer fees | - | 25,968 | 25,968 | - |
| Directors fees | - | 1,900 | 1,900 | - |
| Dues and subscriptions | - | 16,953 | 16,953 | - |
| Election | - | 1,310 | 1,310 | - |
| Insurance | - | 208,294 | 208,294 | - |
| Licenses and permits | - | 3,081 | 3,081 | - |
| Miscellaneous expenses | - | 85,285 | 85,285 | - |
| Office expense | - | 25,410 | 25,410 | - |
| Professional fees | - | 190,162 | 190,162 | - |
| Public relations | - | 250 | 250 | - |
| Repairs and maintenance | - | 29,642 | 29,642 | - |
| Salaries and benefits | - | 382,126 | 382,126 | - |
| Supplies | - | 92,054 | 92,054 | - |
| TIF expense | - | 3,514 | 3,514 | - |
| Training and education | - | 25,888 | 25,888 | - |
| Travel | - | 2,017 | 2,017 | - |
| Utilities | - | 50,226 | 50,225 | 1 |
| Debt service: | | | | |
| Interest payment on short-term construction loan | - | 87,645 | 87,645 | - |
| Principal payment on short-term construction loan | - | 2,249,515 | 2,249,515 | - |
| Total expenditures | - | 5,795,415 | 5,315,217 | 480,198 |
| Excess of revenues over expenditures | - | (3,521,601) | (3,016,553) | 505,048 |
| OTHER FINANCING SOURCES AND USES | | | | |
| Insurance recovery proceeds | - | 282,817 | 282,817 | - |
| Proceeds from short-term construction loan | - | 1,159,313 | 1,159,313 | - |
| Transfer from transportation revenue fund, net | - | 4,000,000 | 2,855,121 | (1,144,879) |
| Total other financing sources and uses | - | 5,442,130 | 4,297,251 | (1,144,879) |
| Net change in fund balance | \$ - | \$ 1,920,529 | 1,280,698 | \$ (639,831) |
| Fund balance, beginning of year | | | 1,440,566 | |
| Fund balance, end of year | | | \$ 2,721,264 | |

The accompanying notes and independent auditor's report
should be read with these financial statements.

TRINIDAD AMBULANCE DISTRICT
STATEMENT OF NET POSITION - PROPRIETARY FUND
DECEMBER 31, 2024

| | <u>Transportation Revenue Fund</u> |
|-----------------------------------|--|
| <u>ASSETS</u> | |
| Cash and investments | \$ 1,722,322 |
| Cash and investments - restricted | 93,090 |
| Accounts receivable, net | 662,100 |
| Inventories | 94,130 |
| Due from governmental activities | 241,375 |
| Capital assets, net | <u>608,176</u> |
| Total assets | <u>3,421,193</u> |
| <u>LIABILITIES</u> | |
| Accounts payable | 41,600 |
| Accrued interest | 33,852 |
| Due to governmental activities | 996,469 |
| Accrued wages and benefits | 26,114 |
| Accrued compensated absences | 47,406 |
| Series 2024 Revenue Bond | <u>3,207,000</u> |
| Total liabilities | <u>4,352,441</u> |
| <u>NET POSITION</u> | |
| Net investment in capital assets | (1,526,004) |
| Restricted: | |
| Bond account reserve | 68,892 |
| Debt reserve | 13,778 |
| Capital reserve | 10,420 |
| Unrestricted | <u>501,666</u> |
| Total net position | <u>\$ (931,248)</u> |

The accompanying notes and independent auditor's report
should be read with these financial statements.

TRINIDAD AMBULANCE DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUND YEAR ENDED DECEMBER 31, 2024

| | <u>Transportation Revenue Fund</u> |
|---|--|
| <u>OPERATING REVENUES</u> | |
| Charge for services | \$ 1,754,386 |
| Miscellaneous income | 3,215 |
| Total operating revenues | <u>1,757,601</u> |
| <u>OPERATING EXPENSES</u> | |
| Contract services | 2,249 |
| Depreciation | 157,341 |
| Loss on disposal of capital assets | 8,709 |
| Medical supplies | 74,118 |
| Miscellaneous expenses | 2,134 |
| Professional fees | 2,035 |
| Salaries and benefits | 984,170 |
| Vehicles | 160,041 |
| Total operating expenses | <u>1,390,797</u> |
| Net operating gain | <u>366,804</u> |
| <u>NON-OPERATING REVENUES (EXPENSES)</u> | |
| Interest income | 4,055 |
| Interest expense | (33,852) |
| Transfer to governmental activities, net | <u>(2,855,121)</u> |
| Total non-operating revenues (expenses) | <u>(2,884,918)</u> |
| Change in net position | <u>(2,518,114)</u> |
| Net position, beginning of year | <u>1,586,866</u> |
| Net position, end of year | <u>\$ (931,248)</u> |

The accompanying notes and independent auditor's report
should be read with these financial statements.

TRINIDAD AMBULANCE DISTRICT
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2024

| | Transportation Revenue Fund |
|--|--|
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u> | |
| Receipts from customers | \$ 1,359,810 |
| Cash paid for goods and services | (142,470) |
| Payments to employees | (992,961) |
| Payments to suppliers | (81,254) |
| Net cash flows from operating activities | <u>143,125</u> |
| <u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u> | |
| Transfers, net | (1,858,652) |
| Net cash flows from noncapital financing activities | <u>(1,858,652)</u> |
| <u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u> | |
| Capital asset purchased | (480,198) |
| Proceeds from Series 2024 Revenue Bond | 3,207,000 |
| Net cash flows from capital and related financing activities | <u>2,726,802</u> |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | |
| Interest income | 4,055 |
| Net cash flows from investing activities | <u>4,055</u> |
| Net change in cash | 1,015,330 |
| Cash and investments, beginning of year | <u>800,082</u> |
| Cash and investments, end of year | <u>\$ 1,815,412</u> |
| <u>RECONCILIATION OF OPERATING GAIN TO NET CASH FLOWS FROM OPERATING ACTIVITIES</u> | |
| Operating gain | \$ 366,804 |
| Adjustments to reconcile operating income to net cash flows from operating activities: | |
| Depreciation | 157,341 |
| Loss on disposal of capital assets | 8,709 |
| Net change in operating assets and liabilities: | |
| Accounts receivable | (156,416) |
| Inventory | (7,136) |
| Accounts payable | 23,989 |
| Accrued wages and benefits | 4,070 |
| Accrued compensated absences | (12,861) |
| Due from governmental activities | (241,375) |
| Net cash flows from operating activities | <u>\$ 143,125</u> |

The accompanying notes and independent auditor's report
should be read with these financial statements.

TRINIDAD AMBULANCE DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. DEFINITION OF REPORTING ENTITY

Trinidad Ambulance District ("District"), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized on March 28, 1989, and is governed by an elected board of directors. It is a local government unit created for the purpose of providing emergency transportation services to fee-paying customers within a service area allowed by law. The District's service area is located in Las Animas County, Colorado ("County").

The District follows Governmental Accounting Standards Board ("GASB") accounting pronouncements which provide guidance for determining which governmental activities, organizations, and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, and potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is not financially accountable for any other organization.

Effective January 1, 2024, the District established governmental activities for the purpose of separating general activity from the activities of the ambulance services provided by the District. Effective August 1, 2024, the District formally established the Trinidad Ambulance District Transportation Enterprise ("Enterprise"). District management applied the establishment of the Enterprise for accounting purposes effective January 1, 2024. As a result, balances previously accounted for in the District's business-type activities were allocated to governmental activities as of January 1, 2024 (Note 12).

During the year ended December 31, 2023, the District resolved to operate as a health service district. The County has yet to approve the District's new structure subsequent to December 31, 2024, therefore, the District is not yet operating as a health service district.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-wide and fund financial statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. Material interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. Governmental activities are normally supported by grants and intergovernmental revenues, and business-type activities which rely to a significant extent on fees and charges for support.

The statement of net position reports all financial and capital resources of the District. The difference between the assets plus deferred outflows of resources and the liabilities plus deferred inflows of resources is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and grants and contributions that are restricted to meet the operational or capital requirements of a particular function or segment. Taxes and other items are properly excluded from program revenues and are reported as general revenues.

Separate financial statements are provided for the governmental funds and proprietary funds. Major individual government funds are reported as separate columns in the fund financial statements.

Measurement focus, basis of accounting, and financial statement position

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

See independent auditor's report.

TRINIDAD AMBULANCE DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectable within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for expenditure-driven grants as defined in the following paragraph. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

Intergovernmental revenues, grants, and interest associated with the current year are all considered to be susceptible to accrual and so have been recognized as revenues of the current year. Grant and similar revenues are recorded as revenues when all eligibility requirements are met, including any time requirements. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and other eligibility requirements have been met. All other revenues are considered to be measurable and available only when cash is received by the District.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. 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 or capital contributions.

The District reports the following major governmental fund:

The *general fund* accounts for all financial resources of the District except those required to be accounted for in another fund.

The District reports the following major proprietary fund:

The *transportation revenue fund* accounts for the activities of the ambulance services provided by the District.

Budgets

In accordance with state budget law, the District holds public hearings in the fall each year to approve the budget and appropriate funds for the ensuing year. The appropriation is at the total fund expenditures, fund balance remaining, and other financing uses 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 District amended its annual budget for the year ended December 31, 2024.

Pooled cash and investments

The District follows the practice of pooling cash and investments of funds to maximize investment earnings. Except when required by trust or other agreements, cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average balance.

Property taxes

Property taxes are levied by the District's board of directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 and attaches as an enforceable lien as of January 1 of the following year. The County Treasurer collects the taxes during the ensuing calendar year. The taxes are payable by April or, at the taxpayer's election, in February and June in equal installments. Delinquent taxpayers are notified in August and sales of tax liens on delinquent properties are generally held in November or December. The County Treasurer remits the taxes collected to the District monthly.

See independent auditor's report.

TRINIDAD AMBULANCE DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

Property taxes, net of estimated uncollectable amounts, are recorded initially as deferred revenues in the year they are levied and measurable. The deferred property tax revenues are recorded as revenues in the year they are available or collected.

Accounts receivable

The District reports accounts receivable for services rendered at net realizable amounts from third-party payors, patients and others. The District provides an allowance for bad debts and contractual adjustments based upon a review of outstanding receivables, historical collection information and existing economic conditions. The District has provided an allowance of \$2,138,000 as of December 31, 2024. As a service to the customer, the District bills third-party payors directly and bills the customer when the customer's liability is determined. Accounts receivable are due in full when billed. Accounts are considered delinquent and subsequently written off as bad debts based on individual credit evaluation and specific circumstances of the customer or third-party payor.

Net service fees

The District has agreements with third-party payors that provide payments to the District at amounts different from its established rates. Net revenue is reported at estimated net realizable amounts from customers, third-party payors and others. Service revenue is reported net of contractual adjustments and discounts of \$3,010,620 and the provision for bad debts of \$820,004 during the year ended December 31, 2024.

Grants receivable

Grants receivable are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectable.

Inventory

Inventory consists of medical supplies, and are stated at the lower of cost or market value on a first-in, first-out basis. The costs of inventories are recorded as expenditures when they are used.

Capital assets

Capital assets, which include property, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$1,000 and a useful life greater than one year. Such assets are recorded at cost or estimated cost if purchased or constructed. Contributed capital assets are recorded at estimated acquisition value at the date of contribution.

Depreciation expense has been computed using the straight-line method over the estimated economic useful lives of the assets, which range from 5 to 40 years.

Maintenance and repairs are charged to expense as incurred. At the time of retirement or disposition of depreciable assets, the related cost and accumulated depreciation are removed from the accounts, and the resulting gain or loss, if any, is reflected in revenues or expenses.

Capital assets which are anticipated to be conveyed to other governmental entities are not depreciated or included in the calculation of net investment in capital assets component of the District's net position.

Compensated absences

Employees earn paid time off in varying amounts depending upon employee classification and years of service. The District accrues compensated absences in the government-wide and proprietary fund financial statements. A liability for the amount is reported in governmental funds only when it is due, for example as a result of employee resignations and retirements.

As of December 31, 2024, the District's compensated absences liability was \$110,445. The compensated absences liability decreased \$4,364 during the year ended December 31, 2024.

See independent auditor's report.

TRINIDAD AMBULANCE DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

Deferred inflows of resources

In addition to liabilities, the District 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 and so will not be recognized as an inflow of resources (revenues) until that time. Accordingly, property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

Interfund balances and transfers, net

The District reports interfund balances and transfers that are representative of lending and borrowing arrangements between funds in the fund financial statements as due to other funds and due from other funds, respectively.

During the year ended December 31, 2024, transfers, net between governmental activities and business-type activities consisted of the following:

| | Governmental activities | Business-type activities |
|---|----------------------------|-----------------------------|
| Business-type activities proceeds received to purchase governmental activity assets | \$ 996,469 | \$ (996,469) |
| Business-type activities proceeds received to pay off governmental activity loan | 2,272,230 | (2,272,230) |
| Cash used to purchase business-type activities assets | (480,197) | 480,197 |
| Business-type activities revenue received by the governmental activities owed to the business-type activities | (241,375) | 241,375 |
| Other transfers from business-type activities to governmental activities | 307,994 | (307,994) |
| Total transfers, net | <u>\$ 2,855,121</u> | <u>\$ (2,855,121)</u> |

Net position and fund balances

Net position

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund balances

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

The *nonspendable fund balance* is the portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventories) or is legally or contractually required to be maintained intact.

The *restricted fund balance* is the portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

The *committed fund balance* is the portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the board of directors. The constraint may be removed or changed only through formal action of the board of directors.

The *assigned fund balance* is the portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the board of directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

See independent auditor's report.

TRINIDAD AMBULANCE DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

The *unassigned fund balance* is the residual portion of fund balance that does not meet any of the criteria described above.

For fund presentation purposes, if more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's policy to use the most restrictive classification first.

Use of estimates

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

Subsequent events

The District has evaluated subsequent events through the date of the attached independent auditor's report, the date these financial statements were available to be issued.

New accounting pronouncements

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections* ("Statement No. 100"). This statement enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. On January 1, 2024, the District adopted the requirements of Statement No. 100 (Note 12).

In June 2022, the GASB issued Statement No. 101, *Compensated Absences* ("Statement No. 101"). This statement updated the recognition and measurement guidance for compensated absences. On January 1, 2024, the District adopted the requirements of Statement No. 101 (Note 12).

3. CASH AND INVESTMENTS

Cash and investments as of December 31, 2024, are classified in the accompanying financial statements as follows:

Statement of net position:

| | |
|-----------------------------------|---------------------|
| Cash and investments | \$ 3,575,690 |
| Cash and investments - restricted | <u>252,590</u> |
| | <u>\$ 3,828,280</u> |

The carrying amounts of cash and investments, which equal estimated fair value, as of December 31, 2024, are as follows:

| | |
|--------------------------------------|---------------------|
| Deposits with financial institutions | <u>\$ 3,828,280</u> |
| | <u>\$ 3,828,280</u> |

Deposits with financial institutions

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. The PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be 102% of the aggregate uninsured deposits. At December 31, 2024, the District had bank deposits totaling \$3,828,280, of which \$750,000 was insured by the Federal Deposit Insurance Corporation.

The state commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

As of December 31, 2024, the District's cash deposits had a bank balance of \$3,825,624 and a carrying balance of \$3,828,280.

See independent auditor's report.

TRINIDAD AMBULANCE DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those below which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. The District is not subject to concentration risk disclosure requirements or subject to investment custodial credit risk for investments that are in the possession of another party.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- Obligations of the US, certain US government agency securities, and securities of the World Bank
- General obligation and revenue bonds of US local government entities
- Certain certificates of participation
- Certain securities lending agreements
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- Certificates of deposit in Colorado PDPA approved banks or savings banks
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. US government securities explicitly or implicitly guaranteed by the US government are not considered to have credit risk exposure, including US Treasury bills, US Treasury notes, or obligations of the Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, and Federal National Mortgage Association.

As of December 31, 2024, the District did not have any investments.

See independent auditor's report.

TRINIDAD AMBULANCE DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024, is as follows:

| | Balance 01-01-24 | Additions | Dispositions | Reclassifications | Balance 12-31-24 |
|--|---------------------|---------------------|---------------------|--------------------|---------------------|
| <u>Governmental activities</u> | | | | | |
| Capital assets, depreciable: | | | | | |
| Building | \$ 1,342,957 | \$ - | \$ - | \$ 4,917,984 | \$ 6,260,941 |
| Equipment | 284,285 | - | - | - | 284,285 |
| Vehicles | 323,133 | 51,282 | (34,988) | - | 339,427 |
| Radio and medical equipment | 346,829 | 32,972 | - | - | 379,801 |
| Furniture and fixtures | 51,628 | 43,391 | - | - | 95,019 |
| Total capital assets, depreciable | 2,348,832 | 127,645 | (34,988) | 4,917,984 | 7,359,473 |
| Less accumulated depreciation | (1,287,043) | (150,918) | 23,228 | - | (1,414,733) |
| Governmental activities Capital assets, net | 1,061,789 | (23,273) | (11,760) | 4,917,984 | 5,944,740 |
| Capital assets, not depreciable: | | | | | |
| Land | 214,371 | - | - | - | 214,371 |
| Construction in progress | 3,679,984 | 1,565,805 | (327,805) | (4,917,984) | - |
| Governmental activities Capital assets, not depreciable | 3,894,355 | 1,565,805 | (327,805) | (4,917,984) | 214,371 |
| Governmental activities Total capital assets | \$ 4,956,144 | \$ 1,542,532 | \$ (339,565) | \$ - | \$ 6,159,111 |
| <u>Business-type activities</u> | | | | | |
| Capital assets, depreciable: | | | | | |
| Vehicles | 1,930,401 | 198,414 | (853,886) | - | 1,274,929 |
| Radio and medical equipment | 577,468 | 281,783 | - | - | 859,251 |
| Total capital assets, depreciable | 2,507,869 | 480,197 | (853,886) | - | 2,134,180 |
| Less accumulated depreciation | (2,213,841) | (157,341) | 845,178 | - | (1,526,004) |
| Business-type capital assets, net | \$ 294,028 | \$ 322,856 | \$ (8,708) | \$ - | \$ 608,176 |

Depreciation expense for the year ended December 31, 2024, totaled \$308,259.

During the year ended December 31, 2024, the roof of a building owned by the District was damaged resulting in an impairment loss in the amount of \$327,805. The District received an insurance recovery in the amount of \$282,817 as a result of the impairment and the net impairment loss was \$44,988 during the year ended December 31, 2024.

See independent auditor's report.

TRINIDAD AMBULANCE DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

5. LONG-TERM OBLIGATIONS

The following is a summary of debt of the District during the year ended December 31, 2024:

| | Balance 01-01-24 | Additions | Repayments / Amortization | Balance 12-31-24 | Due Within One Year |
|---------------------------------|---------------------|--------------|------------------------------|---------------------|------------------------|
| <u>Governmental activities</u> | | | | | |
| Short-term debt: | | | | | |
| Construction loan | \$ 1,090,202 | \$ 1,159,313 | \$ (2,249,515) | \$ - | \$ - |
| <u>Business-type activities</u> | | | | | |
| Long-term obligations: | | | | | |
| Series 2024 Revenue Bond | - | 3,207,000 | - | 3,207,000 | 58,425 |
| Total debt | \$ - | \$ 3,207,000 | \$ - | \$ 3,207,000 | \$ 58,425 |

Series 2024 Revenue Bond

On August 1, 2024, the District issued the Series 2024 Revenue Bond ("Series 2024 Bond") for the purpose of paying the costs of providing certain transportation facilities. The Series 2024 Bond was issued in the amount of \$3,207,000. The bond bears interest at a rate of 2.5% per annum, calculated as required by applicable United States of America (Rural Development) regulations and requires semi-annual payments of principal and interest in the amount of \$68,892, commencing January 25, 2025, and thereafter every July 25th and January 25th until paid in full. The Series 2024 Bond matures on August 1, 2059.

The Series 2024 Bond is also secured by a reserve fund in an amount equal to at least one annual loan installment that accumulates at the rate of 10% of the annual payment per year for ten years or until the balance is equal to one annual loan payment of \$137,784. The reserve may not be used without prior written approval of the bond owner. As of December 31, 2024, the amount held in reserve was \$13,778.

The District is also required to establish a reserve fund designated for the replacement of capital assets which will be funded by the District in monthly amounts of \$2,084 until the fund reaches a balance of \$100,000. If the District uses the reserved funds, the District will replace the funds used at the same rate of \$2,084 monthly until the reserve fund reaches a balance of \$100,000. As of December 31, 2024, the amount held in reserve was \$10,420.

The District is required to maintain a bond account consisting of a reserve for the next required payment of principal and interest on the Series 2024 Bond. As of December 31, 2024, the amount held in reserve was \$68,892.

Pledged revenues

The principal of and interest on the Series 2024 Bond are payable only from the revenues derived from the operation of the District's enterprise after deduction of operations and maintenance costs in amounts sufficient to pay the principal of and interest on the Series 2024 Bond when the same becomes due and payable.

Optional redemption

The Bond is subject to redemption prior to maturity, at the option of the District, on any date, upon payment of par and accrued interest, without redemption premium.

See independent auditor's report.

TRINIDAD AMBULANCE DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

The District's long-term obligations on the Series 2024 Bonds mature as follows:

| <u>Year Ending December 31, 2024</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------------|---------------------|---------------------|---------------------|
| 2025 | \$ 58,425 | \$ 79,359 | \$ 137,784 |
| 2026 | 58,337 | 79,447 | 137,784 |
| 2027 | 59,825 | 77,959 | 137,784 |
| 2028 | 61,142 | 76,642 | 137,784 |
| 2029 | 62,910 | 74,874 | 137,784 |
| 2030 - 2034 | 339,256 | 349,664 | 688,920 |
| 2035 - 2039 | 384,805 | 304,115 | 688,920 |
| 2040 - 2044 | 436,346 | 252,574 | 688,920 |
| 2045 - 2049 | 495,099 | 193,821 | 688,920 |
| 2050 - 2054 | 561,577 | 127,343 | 688,920 |
| 2055 - 2059 | 689,278 | 51,997 | 741,275 |
| Total | <u>\$ 3,207,000</u> | <u>\$ 1,667,795</u> | <u>\$ 4,874,795</u> |

Events of default

The occurrence or existence of any one or more of the following events will be an event of default hereunder:

- Payment of the principal of the Series 2024 Bond is not made by the District when due;
- Payment of the interest of the Series 2024 Bond is not made by the District when due;
- The District defaults in the performance of any other of its covenants in the bond resolution, and such default continues for sixty (60) days after written notice specifying such default and requiring the same to be remedied is given to the District by the bond owner of twenty five percent (25%) in aggregate principal amount of the Series 2024 Bond then outstanding; or
- The District or Enterprise files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligations represented by the Series 2024 Bond.

Upon the occurrence and continuance of an event of default, the owner of any bond, or a trustee therefor, may protect and enforce the rights of any owner by proper legal or equitable remedy deemed most effectual including mandamus, specific performance of any covenants, injunctive relief, or requiring the board to act as if it were the trustee of an express trust, or any combination of such remedies. Any receiver appointed to protect the rights of owners may take possession of and operate and maintain the system in the same manner as the District itself might do. The failure of any owner to proceed does not relieve the District or any person of any liability for failure to perform any duty hereunder. The foregoing rights are in addition to any other right, and the exercise of any right by any owner will not be deemed a waiver of any other right.

In addition to the foregoing remedies, so long as a bond is registered in the name of the United States of America, upon an event of default, the Rural Development, at its option, may declare the entire principal amount then outstanding and accrued interest immediately due and payable.

Payments on delinquent amounts due on the Series 2024 Bond will be applied in the following order of priority: (i) interest on overdue principal and interest at the rate borne by the Series 2024 Bond; (ii) past due interest; (iii) past due principal; (iv) current interest due; and (v) current principal due.

Construction loan

On October 24, 2023, the District obtained a short-term construction loan from an area bank in the amount of \$2,250,000 for the addition to an existing building owned by the District. The loan bore interest at a rate of the prime rate plus 1.00 percentage point calculated on a 365-day basis. During the year ended December 31, 2024, the construction loan was paid in full with proceeds from the District's Series 2024 Bond.

See independent auditor's report.

TRINIDAD AMBULANCE DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

6. NET POSITION

The District has net position consisting of: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balance of debt that is attributable to the acquisition, construction, or improvement of those assets.

As of December 31, 2024, the District had net investment in capital assets as follows:

| | Governmental activities | Business-type activities |
|-----------------------------------|----------------------------|-----------------------------|
| Net investment in capital assets: | | |
| Capital assets | \$ 6,159,111 | \$ 608,176 |
| Related long-term obligations | <u>(7,359,473)</u> | <u>(2,134,180)</u> |
| Net investment in capital assets | <u>\$ (1,200,362)</u> | <u>\$ (1,526,004)</u> |

Restricted net position includes balances with external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position as of December 31, 2024 as follows:

| | |
|----------------------------|-------------------|
| Restricted net position: | |
| Emergency reserve (Note 9) | \$ 159,500 |
| Bond reserve (Note 5) | 68,892 |
| Debt service (Note 5) | 13,778 |
| Capital reserve (Note 5) | <u>10,420</u> |
| | <u>\$ 252,590</u> |

7. RELATED PARTIES

During the year ended December 31, 2024, the District paid \$20,000, at arm's length, to the spouse of an executive-level employee for specialized engineering services.

8. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The District purchases medical malpractice insurance under a claims-made policy on a fixed premium basis. Further, the District is subject to the provisions of the Colorado Government Immunity Act which provides a limitation on the liability of the District. The District is not aware of any unasserted claims, unreported incidents or claims outstanding which are expected to exceed malpractice insurance coverage limits as of December 31, 2024.

9. TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights ("TABOR"), contains tax, spending, revenue, and debt limitations which apply to the state of Colorado and all local governments within the state of Colorado.

At the District's creation, the Colorado Senate Bill 09-141 ("SB 09-141") authorized the District to levy property taxes up to 5 mills for the purpose funding reserves, repayment of bonds issued, maintenance, operations, and improvement of facilities, subject to election requirements and limitations as defined in SB 09-141.

See independent auditor's report.

TRINIDAD AMBULANCE DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

Enterprises, defined as government-owned business authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The District has made certain interpretations of the amendment's language in order to determine compliance. The District's management believes the transportation enterprise's operations qualify for the enterprise exclusion allowed by the amendment. The District believes it is in compliance with the requirements of the amendment.

Spending and revenue limits are determined based on the prior 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. Revenues in excess of the fiscal year spending limit must be refunded unless the voters approve retention of such revenues.

TABOR requires local governments to establish emergency reserves. These reserves must be at least 3% of fiscal year spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

District management believes the District is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate fiscal year spending limits, will likely require judicial interpretation.

10. PENSION PLAN - DEFINED CONTRIBUTION

The District participates in the Colorado Retirement Association ("CRA") 401(a) retirement plan and a CRA 457 deferred compensation plan, both of which are defined contribution plans. All employees working at least 32 hours per week, 12 months per year must participate in the 401(a) plan after the first three months of employment. The District contributes from 3% up to a maximum of 7% of the participant's compensation, matching what the employee contributes, and the participant becomes fully vested over a three-year period. All employees (full-time and part-time) are immediately eligible to participate in the 457 plan, for which there is no employer matching. Employee contributions are immediately vested under the 457 plan.

The amount of pension expense recognized by the District in 2024 was \$76,329. Forfeitures were credited to the District during the current year and are reflected in pension expense. The District has a liability outstanding as of December 31, 2024, for pension payments due to CRA of \$894.

11. AGREEMENTS

Intergovernmental agreement concerning the Las Animas E-911 Emergency Communications Authority

Effective March 17, 2015, the District entered into a third amended and restated intergovernmental agreement concerning the Las Animas County E-911 Emergency Communications Authority ("Authority"). As part of the agreement, the District is able to appoint a member to the Authority's board of directors.

12. CHANGE WITHIN FINANCIAL REPORTING ENTITY, CHANGE IN ACCOUNTING PRINCIPLE AND CORRECTION OF AN ERROR

Change within financial reporting entity

During the year ended December 31, 2024, the District established governmental activities. As a result, balances previously accounted for in the District's business-type activities were allocated to governmental activities as of January 1, 2024 (Note 1).

Change in accounting principle

As a result of implementing GASB Statement No. 101, the District changed its method of accounting for compensated absences. Previously, the District recognized a liability for compensated absences based on the total vacation leave earned by employees. Under GASB 101, the District now recognizes a liability for compensated absences that includes vacation leave, sick leave, and other payroll-related expenses. This resulted in a decrease of \$81,263 to beginning net position.

See independent auditor's report.

TRINIDAD AMBULANCE DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

Correction of error in previously issued financial statements

The previously issued December 31, 2023 financial statements included the following errors:

- In the previously issued December 31, 2023 financial statements, grant income of \$221,347 earned in 2023 was not recorded.
- In the previously issued December 31, 2023 financial statements, fixed assets of \$57,602 and accumulated depreciation of \$63,161 were not recorded.
- In the previously issued December 31, 2023 financial statements, construction in progress of \$924,784 was recorded as depreciable assets.
- In the previously issued December 31, 2023 financial statements, construction in progress and accounts payable were understated by \$256,284.
- In the previously issued December 31, 2023 financial statements, retainage payable of \$117,371 related to construction in progress was not recorded.

The following summarizes the affected financial statement line items as a result of the change within the financial reporting entity, change in accounting principle, and correction of an error in the previously issued financial statements:

| | As Previously Reported | Adjustment Increase (Decrease) | As Restated |
|---|---------------------------|--------------------------------------|--------------|
| Governmental activities financial statements: | | | |
| Financial statement line items: | | | |
| Cash and investments | \$ - | \$ 1,537,539 | \$ 1,537,539 |
| Grant receivable | - | 221,347 | 221,347 |
| Property taxes receivable | - | 1,430,198 | 1,430,198 |
| Capital assets, non-depreciable | - | 3,894,355 | 3,894,355 |
| Capital assets, net | - | 1,061,788 | 1,061,788 |
| Accounts payable | - | 312,113 | 312,113 |
| Retainage payable | - | 117,371 | 117,371 |
| Accrued wages and benefits | - | 6,207 | 6,207 |
| Accrued compensated absences | - | 54,542 | 54,542 |
| Short-term construction loan | - | 1,090,202 | 1,090,202 |
| Deferred property taxes | - | 1,430,198 | 1,430,198 |
| Net position | - | 5,134,594 | 5,134,594 |
| Business-type activities financial statements: | | | |
| Financial statement line items: | | | |
| Cash and investments | 2,337,621 | (1,537,539) | 800,082 |
| Property taxes receivable | 1,430,198 | (1,430,198) | - |
| Capital assets, non-depreciable | 2,595,916 | (2,595,916) | - |
| Capital assets, net | 2,280,600 | (1,986,572) | 294,028 |
| Accounts payable | 73,440 | (55,829) | 17,611 |
| Accrued wages and benefits | 28,251 | (6,207) | 22,044 |
| Accrued compensated absences | 33,546 | 26,721 | 60,267 |
| Short-term construction loan | 1,090,202 | (1,090,202) | - |
| Deferred property taxes | 1,430,198 | (1,430,198) | - |
| Net position | 6,594,435 | (5,007,569) | 1,586,866 |

See independent auditor's report.

TRINIDAD AMBULANCE DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

| | As Previously Reported | Adjustment Increase (Decrease) | As Restated |
|---|---------------------------|--------------------------------------|--------------|
| Governmental fund financial statements: | | | |
| Financial statement line items: | | | |
| Cash and investments | \$ - | \$ 1,537,539 | \$ 1,537,539 |
| Grant receivable | - | 221,347 | 221,347 |
| Property taxes receivable | - | 1,430,198 | 1,430,198 |
| Accounts payable | - | 312,113 | 312,113 |
| Accrued wages and benefits | - | 6,207 | 6,207 |
| Deferred property taxes | - | 1,430,198 | 1,430,198 |
| Fund balance | - | 1,440,566 | 1,440,566 |

* * * * *

See independent auditor's report.

SUPPLEMENTARY INFORMATION

TRINIDAD AMBULANCE DISTRICT

TRANSPORTATION REVENUE FUND - SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET COMPARED TO ACTUAL - BUDGETARY BASIS YEAR ENDED DECEMBER 31, 2024

| | Original Budget | Final Budget | Actual | Variance |
|---|--------------------|---------------------|-------------------|-------------------|
| <u>OPERATING REVENUES</u> | | | | |
| Property taxes | \$ 1,430,798 | \$ - | \$ - | \$ - |
| Specific ownership tax | 160,000 | - | - | - |
| Charge for services | 1,262,435 | 1,754,386 | 1,754,386 | - |
| Miscellaneous income | - | 3,215 | 3,215 | - |
| Total operating revenues | 2,853,233 | 1,757,601 | 1,757,601 | - |
| <u>OPERATING EXPENSES</u> | | | | |
| Bank charges | 500 | - | - | - |
| Capital outlay | 149,000 | - | 480,197 | (480,197) |
| Contingency | 36,500 | - | - | - |
| County Treasurer fees | 30,000 | - | - | - |
| Continuing education | 32,500 | - | - | - |
| Contract services | - | 2,250 | 2,249 | 1 |
| Director fees | 8,000 | - | - | - |
| Dues and subscriptions | 5,000 | - | - | - |
| Insurance | 60,000 | - | - | - |
| Medical director fees | 15,000 | - | - | - |
| Medical supplies | 103,000 | 74,118 | 74,118 | - |
| Miscellaneous expenses | - | 2,131 | 2,134 | (3) |
| Public relations | 7,000 | - | - | - |
| Professional fees | 136,000 | 2,035 | 2,035 | - |
| Repairs and maintenance | 22,000 | - | - | - |
| Salaries and benefits | 1,826,000 | 971,309 | 971,309 | - |
| Supplies | 62,000 | - | - | - |
| Software | 30,000 | - | - | - |
| Utilities | 55,000 | - | - | - |
| Vehicles | 154,000 | 160,044 | 160,041 | 3 |
| Total operating expenses | 2,731,500 | 1,211,887 | 1,692,083 | (480,196) |
| <u>NON-OPERATING REVENUES (EXPENSES)</u> | | | | |
| Grant income | 15,000 | - | - | - |
| Interest expense | (79,513) | - | - | - |
| Interest income | 1,000 | 28,906 | 4,055 | (24,851) |
| Proceeds from Series 2024 Revenue Bond | - | 3,207,000 | 3,207,000 | - |
| Principal payment on Series 2024 Bond | (58,066) | - | - | - |
| Transfer to governmental activities, net | - | (4,000,000) | (2,855,121) | 1,144,879 |
| Total non-operating revenues (expenses) | (121,579) | (764,094) | 355,934 | 1,120,028 |
| Excess of revenues over expenditures - budgetary basis | \$ 154 | \$ (218,380) | \$ 421,452 | \$ 639,832 |

The accompanying notes and independent auditor's report
should be read with these financial statements.

TRINIDAD AMBULANCE DISTRICT
RECONCILIATION OF AMOUNTS FROM US GAAP BASIS TO BUDGETARY BASIS
DECEMBER 31, 2024

The accompanying supplementary Schedule of Revenues and Expenditures – Budget Compared to Actual on page 24 presents comparisons of the legally adopted budget with actual data on a budgetary basis. Because accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with US GAAP, a reconciliation of differences in revenues and expenditures for the year ended December 31, 2024 is presented below.

| | |
|---|---------------------|
| Total revenues per financial statements | \$ 1,761,656 |
| <hr/> | |
| Add: | |
| Proceeds from Series 2024 Revenue Bond | 3,207,000 |
| | <hr/> |
| Total actual revenues and receipts per the budget | <u>\$ 4,968,656</u> |
| <hr/> | |
| Total expenses and transfers per financial statements | \$ 4,279,770 |
| <hr/> | |
| Add: | |
| Capital outlay | 480,197 |
| <hr/> | |
| Less: | |
| Depreciation | (157,341) |
| Loss on disposal of capital assets | (8,709) |
| Change in accrued compensated absences | (12,861) |
| Change in accrued interest payable | (33,852) |
| | <hr/> |
| Total actual expenses, transfers, and capital expenditures per the budget | <u>\$ 4,547,204</u> |

The accompanying notes and independent auditor's report
should be read with these financial statements.