



# **BOARD OF DIRECTORS REGULAR MEETING**

**Health District of Northern Larimer County  
Virtual Meeting**

**See connection details at end of agenda**

**Tuesday, June 28, 2022  
4:00 p.m.**



## AGENDA

### BOARD OF DIRECTORS REGULAR MEETING

June 28, 2022

4:00 pm

- 4:00 p.m. Call to Order; Introductions; Approval of Agenda..... Julie Kunce Field**
- 4:03 p.m. PUBLIC COMMENT**  
Note: If you choose to comment, please follow the "Guidelines for Public Comment" provided on the back of the agenda.
- 4:10 p.m. PRESENTATIONS, DISCUSSION & ACTION**
- 2021 Audit..... Laura Mai, Allison Slife  
Presentation from Auditors; Board Q & A, Comment  
Board Acceptance of 2021 Health District Audit
- 4:30 p.m. PRESENTATION**
- Introduction ..... Robert B. Williams
  - HD IRQ Site for People Experiencing Homelessness 2020 – 2022 ..... James Stewart
- 5:00 p.m. CONSENT AGENDA**
- Approval of the May 24, 2022 Regular Meeting Minutes
  - Approval of Resolutions 2022-15 to 2022-22 updating signature authority
  - Approval of Final 2021 Financials
- 5:15 p.m. OTHER UPDATES & REPORTS**
- Overview of the Family Medical Leave Insurance (FAMLI) Program. .... Karen Spink
  - Liaison to PVHS/UCHealth North Report ..... Celeste Holder Kling
- 5:30 p.m. PUBLIC COMMENT (2<sup>nd</sup> opportunity) See Note above.**
- 5:35 p.m. ANNOUNCEMENTS**
- July 26, 4:00 pm – Board of Directors Regular Meeting
  - August 23, 4:00 pm – Board of Directors Regular Meeting
  - September 27, 4:00 pm – Board of Directors Regular Meeting
- 5:45 p.m. ADJOURN**

## Join Zoom Meeting

**Registration is required. Click this link to register:**

[https://healthdistrict.zoom.us/webinar/register/WN\\_z7-DuykAS0yPbXbNj2nbXQ](https://healthdistrict.zoom.us/webinar/register/WN_z7-DuykAS0yPbXbNj2nbXQ)

After registering, you will receive a confirmation email containing information about joining the meeting.

### GUIDELINES FOR PUBLIC COMMENT

The Health District of Northern Larimer County Board welcomes and invites comments from the public. **Public comments or input are taken only during the time on the agenda listed as 'Public Comment.'** If you choose to make comments about any agenda item or about any other topic not on the agenda, please use the following guidelines.

- **Before you begin your comments please:** Identify yourself – spell your name – state your address. Tell us whether you are addressing an agenda item, or another topic.
- **Limit your comments to five (5) minutes.**

## ■ MISSION ■

**The Mission of the Health District of Northern Larimer County is to enhance the health of our community.**

## ■ VISION ■

- ❑ District residents will live long and well.
- ❑ Our community will excel in health assessment, access, promotion and policy development.
  - Our practice of **assessment** will enable individuals and organizations to make informed decisions regarding health practices.
  - All Health District residents will have timely **access** to basic health services.
  - Our community will embrace the **promotion** of responsible, healthy lifestyles, detection of treatable disease, and the **prevention** of injury, disability and early death.
  - Citizens and leaders will be engaged in the creation and implementation of ongoing **systems and health policy development** at local, state, and national levels.
  - Like-minded communities across the country will emulate our successes.

## ■ STRATEGY ■

The Health District will take a leadership role to:

- ❑ Provide exceptional health services that address unmet needs and opportunities in our community,
- ❑ Systematically assess the health of our community, noting areas of highest priority for improvement,
- ❑ Facilitate community-wide planning and implementation of comprehensive programs,
- ❑ Educate the community and individuals about health issues,
- ❑ Use Health District funds and resources to leverage other funds and resources for prioritized projects, and avoid unnecessary duplication of services,
- ❑ Promote health policy and system improvements at the local, state and national level,
- ❑ Continuously evaluate its programs and services for quality, value, and impact on the health of the community,
- ❑ Share our approaches, strategies, and results, and
- ❑ Oversee and maintain the agreements between Poudre Valley Health System, University of Colorado Health and the Health District on behalf of the community.

## ■ VALUES ■

- ❑ Dignity and respect for all people
- ❑ Emphasis on innovation, prevention and education
- ❑ Shared responsibility and focused collaborative action to improve health
- ❑ Information-driven and evidence-based decision making
- ❑ Fiscal responsibility/stewardship
- ❑ An informed community makes better decisions concerning health



Board of Directors and Management  
Health Services District of Northern Larimer County  
Fort Collins, Colorado

We have audited the financial statements of the governmental activities and the major fund of the Health Services District of Northern Larimer County as of and for the year ended December 31, 2021, and have issued our report thereon dated May 27, 2022. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit in our planning communication dated February 11, 2022. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant audit findings or issues**

#### ***Qualitative aspects of accounting practices***

##### **Accounting policies**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Health Services District of Northern Larimer County are described in Note 2 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

##### **Accounting estimates**

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the contractual adjustments related to dental service revenue from 3rd party vendors (Senior Dental and Larimer County Office on Aging) is based on the difference between the Health District's established billing rate for covered services and amounts reimbursed by third-party payors. We evaluated the key factors and assumptions used to develop the contractual adjustment in determining that it is reasonable in relation to the financial statements taken as a whole.
- The District's capital assets are depreciated using straight-line method of depreciation. Estimated useful lives range from 3 to 55 years. We evaluated the key factors and assumptions used to develop this estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the allowance for doubtful accounts is based on past history and trends with major payor sources of revenue. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

#### **Financial statement disclosures**

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

#### ***Significant unusual transactions***

We identified no significant unusual transactions.

#### ***Difficulties encountered in performing the audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### ***Uncorrected misstatements***

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

#### ***Corrected misstatements***

Management did not identify and we did not notify them of any financial statement misstatements detected as a result of audit procedures.

#### ***Disagreements with management***

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

#### ***Management representations***

We have requested certain representations from management that are included in the attached management representation letter dated May 27, 2022.

***Management consultations with other independent accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the entity’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

**Supplementary information in relation to the financial statements as a whole**

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management’s responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

Our auditors’ opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

\* \* \*

This communication is intended solely for the information and use of the Board of Directors and management of Health Services District of Northern Larimer County and is not intended to be, and should not be, used by anyone other than these specified parties.

**CliftonLarsonAllen LLP**

Broomfield, Colorado  
May 27, 2022

May 27, 2022

CliftonLarsonAllen LLP  
370 Interlocken Boulevard, Suite 500  
Broomfield, CO 80021

This representation letter is provided in connection with your audit of the financial statements of Health Services District of Northern Larimer County, which comprise the respective financial position of the governmental activities and the major fund as of December 31, 2021, and the respective changes in financial position for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to misstatements that are material. Misstatements, including omissions, 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.

We confirm, to the best of our knowledge and belief, as of May 27, 2022, the following representations made to you during your audit of the financial statements as of and for the year ended December 31, 2021.

#### **Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement agreement dated February 11, 2022, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP. The financial statements include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
2. We acknowledge and have fulfilled our responsibility 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.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates are reasonable.
5. Significant estimates have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. Significant estimates are estimates at the financial statement date that could change materially within the next year.
6. Related party relationships and transactions, including, but not limited to, revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable



from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

7. No events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to, or disclosure in, the financial statements.
8. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
9. Guarantees, whether written or oral, under which the entity is contingently liable, if any, have been properly recorded or disclosed in accordance with U.S. GAAP.
10. Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the financial statement date and have been reduced to their estimated net realizable value.
11. The methods and significant assumptions used result in a measure of fair value appropriate for financial statement measurement and disclosure purposes.
12. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
13. We believe that all material expenditures that have been deferred to future periods will be recoverable.
14. Participation in a public entity risk pool has been properly reported and disclosed in the financial statements.

#### **Information Provided**

1. We have provided you with:
  - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - d. Complete minutes of the meetings of the governing board and related committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.

3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
4. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - a. Management;
  - b. Employees who have significant roles in internal control; or
  - c. Others when the fraud could have a material effect on the financial statements.
5. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, grantors, regulators, or others.
6. We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations and provisions of contracts and grant agreements, or waste or abuse whose effects should be considered when preparing financial statements.
7. We are not aware of any pending or threatened litigation, claims, or assessments, or unasserted claims or assessments, that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
8. There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance with U.S. GAAP.
9. We have disclosed to you the identity of all the entity's related parties and all the related party relationships and transactions of which we are aware, including any side agreements.
10. The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral, except as made known to you and disclosed in the financial statements.
11. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to Health Services District of Northern Larimer County, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
12. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

13. The entity has complied with all aspects of contractual or grant agreements that would have a material effect on the financial statements in the event of noncompliance.
14. We have complied with all restrictions on resources (including donor restrictions) and all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance. This includes complying with donor requirements to maintain a specific asset composition necessary to satisfy their restrictions.
15. We are responsible for determining whether we have received, expended, or otherwise been the beneficiary of any federal awards during the period of this audit. No federal award, received directly from federal agencies or indirectly as a subrecipient, was expended in an amount that cumulatively totals from all sources \$750,000 or more. For this representation, "award" means financial assistance and federal cost-reimbursement contracts that non-federal entities receive directly from federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, user grants, or contracts used to buy goods or services from vendors.
16. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
17. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures, jointly governed organizations, and other related organizations.
18. The financial statements properly classify all funds and activities.
19. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
20. Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
21. Provisions for uncollectible receivables have been properly identified and recorded.
22. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
23. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
24. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly valued and disclosed.
25. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.

26. We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
27. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
28. As part of your audit, you prepared the draft financial statements, related notes, and supplementary information. We have designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee your services; have made all management judgments and decisions; and have assumed all management responsibilities. We have evaluated the adequacy and results of the service. We have reviewed, approved, and accepted responsibility for those financial statements, related notes, and supplementary information. We have also ensured that the entity's data and records are complete and received sufficient information to oversee the service.
29. We understand TABOR (Section 20 to Article X of the Colorado Constitution) is complex and subject to interpretation and that many of the provisions will require judicial interpretation. We have reviewed the various provisions and interpretations and believe to the best of our knowledge at this time that the District is in compliance with TABOR.
30. We have informed all banking and savings and loan institutions that our deposits are subject to the respective Public Deposit Protection Act and have provided banking institutions with our assigned number.

Signature: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Title: \_\_\_\_\_

**HEALTH SERVICES DISTRICT OF NORTHERN LARIMER COUNTY**

**BASIC FINANCIAL STATEMENTS AND  
REQUIRED SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2021**

-DRAFT-  
Tentative Report  
For Discussion purposes Only  
Subject to Revision

**HEALTH SERVICES DISTRICT OF NORTHERN LARIMER COUNTY  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2021**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	<b>4</b>
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF NET POSITION</b>	<b>13</b>
<b>STATEMENT OF ACTIVITIES</b>	<b>14</b>
<b>BALANCE SHEET – GOVERNMENTAL FUND</b>	<b>15</b>
<b>RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUND     TO THE STATEMENT OF NET POSITION</b>	<b>16</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND     BALANCE – GOVERNMENTAL FUND</b>	<b>17</b>
<b>RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,     AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUND TO THE     STATEMENT OF ACTIVITIES</b>	<b>18</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>19</b>
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND     BALANCE BUDGET TO ACTUAL – GENERAL FUND</b>	<b>32</b>
<b>NOTE TO REQUIRED SUPPLEMENTARY INFORMATION</b>	<b>33</b>

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Health Services District of Northern Larimer County  
Fort Collins, Colorado

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and the major fund of the Health Services District of Northern Larimer County, Colorado as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Health Services District of Northern Larimer County'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 and the major fund of the Health Services District of Northern Larimer County, as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Health Services District of Northern Larimer County 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 Health Services District of Northern Larimer County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

In performing an audit in accordance with GAAS, we:

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

**CliftonLarsonAllen LLP**

Broomfield, Colorado  
May 27, 2022

-DRAFT-  
Tentative Report  
For Discussion purposes Only  
Subject to Revision

**HEALTH SERVICES DISTRICT OF NORTHERN LARIMER COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021**

This section of the financial report is a required component of the annual financial statements for governmental organizations and is intended to help explain the financial activity for the fiscal year ended December 31, 2021, through a brief narrative overview and analysis of financial statements. All interested persons are encouraged to read this report and to review the financial statements in conjunction with the descriptions of activity as highlighted below.

**Financial Highlights**

- Assets for the Health Services District of Northern Larimer County (Health District) exceeded liabilities and deferred inflows of resources by \$14,288,302, an increase of \$387,774 over the prior year.
- As of the close of the fiscal year, the Health District's governmental fund balance totaled \$4,893,200, a decrease of \$2,238,902 over the prior year. Approximately 91% of this amount (\$4,440,844) is available at the Health District's discretion (unassigned).
- Approximately \$11.4 million of the revenues received in 2021 were used to provide health related services to residents in the northern two-thirds of Larimer County.

**Overview of Financial Statements**

This discussion and analysis serve as an introduction to the Health District's basic financial statements. The Health District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

**Required Financial Statements**

The financial statements of the Health District report information about the Health District using accounting methods similar to those used by private-sector companies. These statements provide both long-term and short-term information about the Health District's overall financial status.

The Statement of Net Position presents information on all of the Health District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as net position. This statement provides information about the nature and the amounts of investments in resources (assets) and the obligations to Health District creditors (liabilities). Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Health District is improving or deteriorating. The Health District currently has reserve resources that are intended to be gradually spent down based on directives from the Health District's Board of Directors, so some decrease is to be expected.

The Statement of Activities presents information showing how the Health District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

These two statements report the Health District's net position and changes in net position. This change in net position is important because it tells the reader whether the financial position of the Health District has improved or diminished. However, in evaluating the overall position of the Health District, non-financial information such as changes in economic conditions and the Health District's property tax base will also need to be evaluated.

**HEALTH SERVICES DISTRICT OF NORTHERN LARIMER COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021**

**Fund Financial Statements**

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Health District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Health District has only one fund, the general fund.

*Governmental Fund*

The presentation for the Health District's general fund focuses on how resources flow into and out of it and the balance that is left at year-end that is available for spending in future periods. The governmental fund is reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view to cash, the governmental fund operations and the services provided. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Health District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and the general fund is reconciled in the financial statements.

The Health District annually adopts an appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the budget. Actual expenditures were less than budgeted expenditures even after exclusions of fund budgeted for contingency.

**Financial Analysis**

As previously noted, net position may serve over time as a useful indicator of an entity's financial position. In the case of the Health District, assets exceed liabilities and deferred inflows of resources by \$14,288,302 at the close of the most recent fiscal year.

Cash and investments represent 24% of total assets. The funds on hand represent resources available for operations and contingencies of the Health District and are invested in local government investment pool and certificates of deposit.

Approximately 40% of the Health District's total assets reflect investment in capital assets (e.g. land, buildings, medical equipment, dental equipment, and computer hardware). The Health District uses these capital assets to provide health services to citizens of the northern two-thirds of Larimer County; consequently, these assets are not available for future spending. Unrestricted net position may be used to meet the Health District's ongoing obligations to creditors.

The Health District entered into a lease in 1994 with Poudre Valley Health Care, Inc. dba Poudre Valley Health System (PVHS) for the use of certain assets.

In 2012, the Health District Board of Directors approved an amendment to the lease. The amendment was in response to a request by PVHS for changes required to enable a joint-operating agreement under which PVHS and University of Colorado Hospital Authority would join to create a new regional health system, University of Colorado Health (UCHealth) to be operated by a new joint-operating company. The amended lease provided an extension of the term of the lease until 2062. The extended portion of the lease is accounted for as an operating lease.

**HEALTH SERVICES DISTRICT OF NORTHERN LARIMER COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021**

The following statement of net position (Table A-1) summarizes the Health District's assets, liabilities, and deferred inflows of resources, and net position.

Table A-1  
Condensed Statement of Net Position

	2021	2020	Dollar Change	Percent Change
Current and Other Assets	\$ 15,013,566	\$ 16,789,353	\$ (1,775,787)	-10.58%
Capital Assets	9,852,154	7,260,758	2,591,396	35.69%
Total Assets	24,865,720	24,050,111	815,609	3.39%
Current Liabilities	1,384,698	1,382,283	2,415	0.17%
Noncurrent Liabilities	491,954	492,332	(378)	-0.08%
Total Liabilities	1,876,652	1,874,615	2,037	0.11%
Deferred Inflows of Resources	8,700,766	8,274,968	425,798	5.15%
Total Net Position	\$ 14,288,302	\$ 13,900,528	\$ 387,774	2.79%

Net position consists of the following components:

	2021	2020	Dollar Change	Percent Change
Investment in Capital Assets	\$ 9,887,056	\$ 7,260,758	\$ 2,626,298	36.17%
Restricted	356,238	341,178	15,060	4.41%
Unrestricted	4,045,008	6,298,592	(2,253,584)	-35.78%

A portion of the Health District's net position of \$356,238 represents resources that are subject to external restrictions (TABOR reserve). The balance of unrestricted net position of \$4,045,008 may be used to meet the Health District's obligations to citizens and creditors.

The unassigned fund balance of \$4,440,844 presented in the governmental fund balance sheet on page 15 provides a succinct view of the Health District's liquid resources that are available to the Health District on a short-term basis. Board policy requires the Health District to maintain a minimum of \$1 million dollars in liquid reserves.

**HEALTH SERVICES DISTRICT OF NORTHERN LARIMER COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021**

Table A-2  
Condensed Statement of Activities

	2021	2020	Dollar Change	Percent Change
<b>REVENUES</b>				
Program Revenues:				
Net Charges for Services	\$ 1,020,928	\$ 791,110	\$ 229,818	29.05%
Operating Grants and Contributions	720,828	1,036,812	(315,984)	-30.48%
General Revenues:				
Property and Specific				
Ownership Tax	8,913,528	8,812,382	101,146	1.15%
Lease Revenue	1,343,554	1,149,096	194,458	16.92%
Other Revenue	38,497	83,242	(44,745)	-53.75%
Total Revenues	<u>12,037,335</u>	<u>11,872,642</u>	<u>164,693</u>	<u>1.39%</u>
<b>EXPENSES</b>				
Dental Services	3,382,342	3,311,710	70,632	2.13%
Grants, Partnerships, and Special Projects	1,645,423	1,903,914	(258,491)	-13.58%
Connections: Mental Health/ Substance Use Issues Services	1,821,661	1,720,224	101,437	5.90%
MH/SA/Primary Care	1,043,001	1,016,432	26,569	2.61%
Healthcare Access	1,022,052	1,033,694	(11,642)	-1.13%
General Government	989,142	894,353	94,789	10.60%
Health Promotion	777,319	724,453	52,866	7.30%
Community Impact	539,979	576,780	(36,801)	-6.38%
Assessment, Research and Evaluation	246,355	192,369	53,986	28.06%
Resource Development	182,287	162,816	19,471	11.96%
HealthInfo Source	-	90,162	(90,162)	-100.00%
Total Expenses	<u>11,649,561</u>	<u>11,626,907</u>	<u>22,654</u>	<u>0.19%</u>
<b>CHANGE IN NET POSITION</b>	<b>387,774</b>	<b>245,735</b>	<b>142,039</b>	
Net Position - Beginning of Year	<u>13,900,528</u>	<u>13,654,793</u>	<u>245,735</u>	<u>1.80%</u>
<b>NET POSITION - END OF YEAR</b>	<u><b>\$ 14,288,302</b></u>	<u><b>\$ 13,900,528</b></u>	<u><b>\$ 387,774</b></u>	<u><b>2.79%</b></u>

The Health District's net position increased by \$387,774 during the current fiscal year.

**2021: The Challenges of COVID-19 Continue**

On March 5, 2020, Colorado reported its first case of COVID-19, directly linking Colorado to the global pandemic caused by the SARS-CoV-2 virus. COVID-19 impacted Health District services in many ways. Maintaining critical health services (and expanding mental health services) took high priority. As stay-at-home public health orders were issued, those services that could be provided remotely were rapidly converted, requiring different equipment, software, and processes. Dental care temporarily moved to emergency care only, then to limited re-configured services with extreme precautions, including Personal Protective Equipment (PPE), new laundry standards and cleaning protocols, and more.

**HEALTH SERVICES DISTRICT OF NORTHERN LARIMER COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021**

Many staff members from various teams were re-assigned to other critical duties, including the development and implementation of symptom screening, hygiene, and isolation/recovery and quarantine (IRQ) for people experiencing homelessness. Like other organizations, the Health District proceeded with continuity of operations but fiscal caution in 2021 due to the inability to predict the economic future of the organization, state, and country.

**Revenues**

Property and specific ownership taxes accounts for 74% of the Health District's revenue. The amount of revenue from property taxes is driven by the assessed valuation of the taxable properties within the Health District boundaries and by the voter approved mill levy for the Health District. Lease revenue accounts for 11% of the Health District's revenue and the remaining 15% comes from net program fees for services provided, grants, contributions, and investment income.

Significant changes in revenue include the following:

Net charges for services increased 29% (\$229,818) when compared to 2020. The Family Dental Clinic experienced a 33% (\$197,523) increase in revenue. The increase was due to the surge in dental services provided after the decrease on COVID-19 related restrictions and emergency health orders. In addition, during 2021 the Family Dental Clinic expanded on efforts to provide patients with comprehensive care and facilitated completion of their treatment plans.

The MH/SA/Primary Care program experienced a 10% (\$17,560) increase in revenue over the prior year. The Health District continued contracts for services with two community health partners to compensate for behavioral health services provided in a primary care setting. The number of services provided increased during 2021.

The Mental Health Connections program, which serves children, adolescents, teenagers, families and adults saw a 79% increase (\$14,469) in revenue over the prior year and an increase in individuals served. This is largely attributable to a return to pre-pandemic capacity to provide services (many now available by telehealth in addition to in-person) coupled with increased need for behavioral health services as a result of the COVID-19 pandemic. Community referrals from partnering agencies steadily increased throughout the second half of 2021.

In 2021, the Health District received \$1,343,554 from their lease with PVHS and the tenants at the new Mulberry office location. This is a 17% (\$194,458) increase over 2020.

**Expenses**

While revenues turned out to be 5% less than budgeted (which was a smaller reduction than the amount estimated mid-year), the Health District's direct expenditures were approximately 28% (\$4,436,443) less than budgeted. COVID-19 had a direct impact on expenditures, in many ways. 60% of that amount is attributable to special projects (funded by reserves, external grants, and partnerships) that were reduced or postponed. The reduction in services led to lower expenses, for example in dental supplies, lab work, etc. Managers were cautious with spending due to uncertainty about the future.

The Health District provided approximately \$11.4 million to the community in health-related services. The Family Dental Clinic, Health Promotions, Mental Health Connections, Integration of Mental Health and Substance Abuse Services into Primary Care (MH/SA/Primary Care) provided \$8.6 million in direct health services to the community, and other programs provided another \$2.8 million in indirect health related services.

**HEALTH SERVICES DISTRICT OF NORTHERN LARIMER COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021**

Significant changes in expenses include the following:

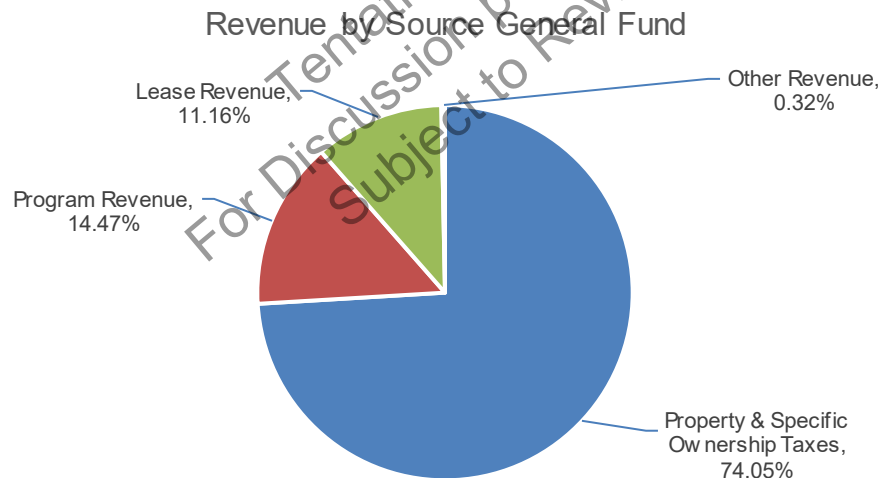
Health District program expenses realized a 1% (\$22,654) net decrease when compared to 2020.

There were two programs that experienced planned increases in expenditures due to the Health District taking on ongoing expenditures previously funded by external grants. Connections: Mental Health/Substance Use Services realized a 5.90% (\$101,437) increase attributable to the CAYAC Program (Child, Adolescent, and Young Adult Connections). Health Promotion realized a 7.30% (\$52,866) increase over the prior year due primarily to the incorporation of expenses previously covered by grant funds.

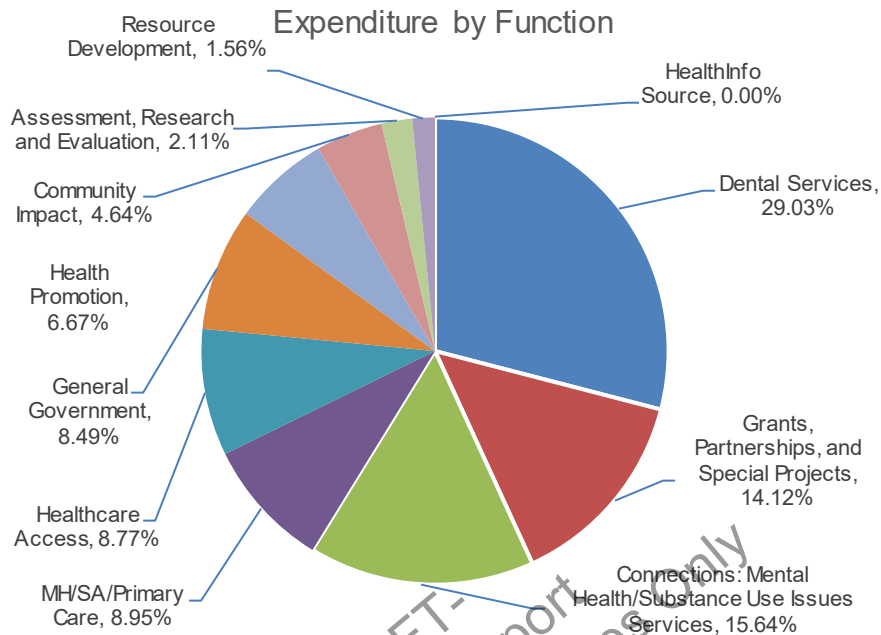
Health District projects funded through grants, community partnerships and Board approved reserve expenses decreased 13.58% (\$258,491) over prior year as a result of multi-year projects funded by both grants and Health District funds and priority time-limited projects coming to an end.

The Dental Services program realized a 2.13% (\$70,632) increase in expenses over the prior year due to increased number of services provided.

While the condensed statement of activities presented on page 7 Table A-2, provides information as to the nature and sources of these changes, the following charts show the sources of the Health District's revenue and how these funds are spent.



**HEALTH SERVICES DISTRICT OF NORTHERN LARIMER COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021**



### Budgetary Highlights

The Health District adopts annual Operations and Capital budgets outlining the estimated expenditures for programs or projects already authorized or to be considered by the Health District's Board of Directors. Funds budgeted but not spent from the current year's budget may be re-appropriated for future use. Periodically, the Health District has opportunities to provide unique, time-limited programs that are funded with external grant funds, the Health District reserve funds and/or in partnership with others in the community. These partnerships relate to the mission of the Health District and generally relate to programs of the Health District, but given their short-term nature are classified as grants, partnerships, or special projects in the accompanying financial statements to distinguish them from the normal programmatic expenditures of the Health District.

COVID-19 had many financial impacts on the Health District throughout 2021. The Health District's ability to provide services to the community were greatly increased as a result of reduced COVID-19 restrictions.

The Health District's 2021 budget includes revenues for actual external grant awards as well as potential external grant awards. In order to appropriate adequate revenues and expenditures so that budgets will not have to be revised mid-year, every possible external grant application is included in the budget, even though many will not be awarded, and some may not be submitted. A significant portion of the revenue shortfall can be attributed to conservative grant revenue that was budgeted but not received and the postponement of partnership projects.

Revenue from investment earnings was 88% less than was budgeted.



**HEALTH SERVICES DISTRICT OF NORTHERN LARIMER COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021**

Expenditures were also less than budgeted as a result of the impact of COVID-19 that required the majority of Health District personnel to work remotely and the reduction of services that the Health District was able to safely provide to the community.

A comparison of 2021 budget to actual revenue and expenditures can be found on page 32.

**Capital Assets and Debt Administration**

*Capital Assets*

As of December 31, 2021, the Health District's investment in capital assets totaled \$9.9 million (net of accumulated depreciation). This investment in capital assets includes buildings, improvements, renovations, dental equipment, office equipment, and computer software.

During 2021, \$2,868,078 was expended on capital assets. These capital expenditures include office equipment, dental equipment, and computer software. See Note 5.

Table A-3  
Capital Assets  
Net of Accumulated Depreciation

	2021	2020
Land	\$ 4,592,595	\$ 4,592,595
Construction in Progress	34,902	-
Buildings and Building Improvements	5,079,476	2,529,848
Equipment	180,083	138,315
	<u>\$ 9,887,056</u>	<u>\$ 7,260,758</u>
Net Capital Assets		

*Debt Administration*

The Health District has no outstanding debt. Additional information on the Health District's contingent obligations can be found in Note 9 to the financial statements.

**Economic Factors and Next Year's Budget**

During 2021, Colorado experienced continued economic recovery from the COVID-19 pandemic. Colorado has experienced an increase in real GDP and a decrease in the unemployment rate when compared to 2020. Colorado averaged a 5.6% unemployment rate in 2021 with a positive outlook for 2022. (University of Colorado 2022 Business Economic Outlook). High inflation and supply demands remain a key challenge to the economy into 2022.

There are some remaining unknown factors with regards to COVID-19 that could impact on the economic recovery moving into 2021. With this in mind, the Health District's budget for 2022 has been prepared in order to provide continued flexibility to adapt to the potential impacts of COVID-19 throughout 2022. The Health District will adjust its programs and operations in order to continue to provide services to the community in a safe manner for both our patients, clients and staff.

Property and specific ownership taxes are anticipated to account for approximately 70% of the Health District's operating revenues in 2022. The Health District expects a 5% increase in property tax revenue. Specific ownership tax revenue is expected to have a 4% decrease from the prior year. Interest rates are expected to increase during 2022.

**HEALTH SERVICES DISTRICT OF NORTHERN LARIMER COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021**

The Health District continues to seek external resources from foundations, corporations, local, state, and federal governmental agencies to supplement, expand, and enhance services and programs consistent with the Health District's strategic plan.

The Health District approved a \$19.9 million budget for 2022 with total operations expenditures of \$16.4 million.

**Request for Information**

This financial report is designed to provide a general overview of the Health District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed in writing to: Laura Mai, Finance Director Health District of Northern Larimer County 120 Bristlecone Drive Fort Collins, CO 80524, [Imai@healthdistrict.org](mailto:Imai@healthdistrict.org).

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Tentative Report  
For Discussion purposes Only  
Subject to Revision*

**HEALTH SERVICES DISTRICT OF NORTHERN LARIMER COUNTY**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2021**

**ASSETS**

Cash and Investments	\$ 6,043,004
Receivables:	
Patients, Net of Allowances of \$1,253	49,270
Grants Receivable and other	52,145
Property Taxes	8,694,074
Specific Ownership Taxes	44,053
Prepaid Items	96,118
Capital Assets Not Being Depreciated:	
Land	4,592,595
Construction in Progress	34,902
Capital Assets - Net of Accumulated Depreciation:	
Buildings and Building Improvements	5,079,476
Equipment	180,083
Total Assets	<u>24,865,720</u>

**LIABILITIES**

Accounts Payable	259,967
Accrued Payroll and Payroll Taxes	327,934
Unearned Revenue:	
Lease Revenue	398,391
Grants and Partnerships	397,326
Dental Services	1,080
Long-Term Liabilities:	
Compensated Absences, Due Within One Year	449,169
Compensated Absences, Due in More than One Year	42,785
Total Liabilities	<u>1,876,652</u>
Deferred Inflows of Resources:	
Property Taxes	8,700,766
Total Deferred Inflows of Resources	<u>8,700,766</u>
Net Position:	
Investment in Capital Assets	9,887,056
Restricted for TABOR Reserve	356,238
Unrestricted	4,045,008
Total Net Position	<u><u>\$ 14,288,302</u></u>

See accompanying Notes to Financial Statements.

**HEALTH SERVICES DISTRICT OF NORTHERN LARIMER COUNTY**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2021**

		Program Revenue		
	Expenses	Net Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Functions/Programs				
Governmental Activities:				
Dental Services	\$ 3,382,342	\$ 791,537	\$ -	\$ (2,590,805)
Grants, Partnerships and Special Projects	1,645,423	-	720,828	(924,595)
Connections: Mental Health/ Substance Use Issues Services	1,821,661	32,684	-	(1,788,977)
MH/SA/Primary Care	1,043,001	195,369	-	(847,632)
Healthcare Access	1,022,052	-	-	(1,022,052)
General Government	989,142	-	-	(989,142)
Health Promotion	777,319	1,338	-	(775,981)
Community Impact	539,979	-	-	(539,979)
Assessment, Research and Evaluation	246,355	-	-	(246,355)
Resource Development	182,287	-	-	(182,287)
Total Governmental Activities	<u>\$ 11,649,561</u>	<u>\$ 1,020,928</u>	<u>\$ 720,828</u>	<u>(9,907,805)</u>
General Revenues:				
Property and Specific Ownership Taxes				8,913,528
Lease Revenue				1,343,554
Investment Earnings				16,101
Other Income				22,396
Total General Revenues				<u>10,295,579</u>
<b>CHANGE IN NET POSITION</b>				<b>387,774</b>
Net Position - Beginning of Year				<u>13,900,528</u>
<b>NET POSITION - END OF YEAR</b>				<u><b>\$ 14,288,302</b></u>

See accompanying Notes to Financial Statements.

**HEALTH SERVICES DISTRICT OF NORTHERN LARIMER COUNTY**  
**BALANCE SHEET – GOVERNMENTAL FUND**  
**DECEMBER 31, 2021**

	<u>General Fund</u>
<b>ASSETS</b>	
Cash and Investments	\$ 6,043,004
Receivables:	
Patients, Net of Allowances of \$1,253	49,270
Grants Receivable and Other	52,145
Property Taxes	8,694,074
Specific Ownership Taxes	44,053
Prepaid Items	96,118
Total Assets	<u>\$ 14,978,664</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	
Liabilities:	
Accounts Payable	\$ 259,967
Accrued Payroll and Payroll Taxes	327,934
Unearned Revenue:	
Lease Revenue	398,391
Grants and Partnerships	397,326
Dental Services	1,080
Total Liabilities	<u>1,384,698</u>
Deferred Inflows of Resources:	
Property Taxes	8,700,766
Total Deferred Inflows of Resources	<u>8,700,766</u>
Fund Balance:	
Nonspendable Fund Balance - Prepaid Items	96,118
Restricted Fund Balance - TABOR Reserve	356,238
Unassigned Fund Balance	4,440,844
Total Fund Balance	<u>4,893,200</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balance	 <u>\$ 14,978,664</u>

See accompanying Notes to Financial Statements.

**HEALTH SERVICES DISTRICT OF NORTHERN LARIMER COUNTY  
RECONCILIATION OF THE BALANCE SHEET –  
GOVERNMENTAL FUND TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2021**

Total Fund Balance - Governmental Fund	\$ 4,893,200
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Amounts Reported for 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 fund.	9,887,056
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Compensated absences are not uses of financial resources in governmental activities and are therefore not reported in the fund. However, compensated absences are treated as a liability in the statement of net position. This is the total of the liability as of December 31, 2021.	<div style="border-top: 1px solid black; display: inline-block;">(491,954)</div>
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Total Net Position	<div style="border-top: 3px double black; display: inline-block;">\$ 14,288,302</div>
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 Tentative Report  
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**HEALTH SERVICES DISTRICT OF NORTHERN LARIMER COUNTY  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND  
YEAR ENDED DECEMBER 31, 2021**

	<u>General Fund</u>
<b>REVENUE</b>	
Property and Specific Ownership Taxes	\$ 8,913,528
Net Charges for Services	1,020,928
Lease Income	1,343,554
Grants and Partnerships	720,828
Investment Earnings	16,101
Miscellaneous Income	22,396
Total Revenue	<u>12,037,335</u>
<b>EXPENDITURES</b>	
General Government	976,045
Program Operations:	
Dental Services	3,295,322
MH/SA/Primary Care	1,018,952
Health Promotion	758,146
Community Impact	523,940
Connections: Mental Health/Substance Use Issues Services	1,776,418
Grants, Partnerships, and Special Projects	1,645,423
Assessment, Research and Evaluation	241,265
Resource Development	178,002
Health Care Access	994,646
Subtotal	<u>11,408,159</u>
Capital Outlay	<u>2,868,078</u>
Total Expenditures	<u>14,276,237</u>
<b>NET CHANGE IN FUND BALANCE</b>	(2,238,902)
Fund Balance - Beginning of Year	<u>7,132,102</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 4,893,200</u></u>

See accompanying Notes to Financial Statements.

**HEALTH SERVICES DISTRICT OF NORTHERN LARIMER COUNTY  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE – GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2021**

Net Change in Fund Balance - Governmental Fund	\$ (2,238,902)
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Amounts Reported for Governmental Activities in the  
Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense and the net book value of disposed assets exceeded capital outlay in the current period.	2,626,298
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Compensated absences are not uses of financial resources in governmental activities and are therefore not reported in the fund. However, in the statement of activities, these costs are reported as expenses. This is the amount of these expenses in the current period	<div style="border-top: 1px solid black; border-bottom: 1px solid black;">378</div>
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Change in Net Position	<div style="border-top: 1px solid black; border-bottom: 3px double black;">\$ 387,774</div>
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-DRAFT-  
 Tentative Report  
 For Discussion purposes Only  
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**HEALTH SERVICES DISTRICT OF NORTHERN LARIMER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 1    REPORTING ENTITY**

The Health Services District of Northern Larimer County (Health District) is a political subdivision of the state of Colorado and is governed by a five-member board elected by residents of the Health District. Until May 1, 1994, the Health District owned and operated Poudre Valley Hospital (the Hospital). On that date, the Health District transferred the operations and certain net assets of the Hospital to Poudre Valley Health Care, Inc. (PVHCI), a tax-exempt organization incorporated March 14, 1994, for the purpose of operating the Hospital. As part of this transaction, the Health District retained certain assets and entered into a lease arrangement where PVHCI, later referred to as Poudre Valley Health Systems (PVHS), leased certain assets for a period of 50 years. During 2012, PVHCI/PVHS and University of Colorado Hospital Authority entered into a joint operating agreement creating a combined health system called University of Colorado Health (UCHealth), at which time the terms of the lease agreement were amended (see Note 9).

As a political subdivision of the state of Colorado, the Health District is exempt from income taxes under section 115 of the Internal Revenue Code. In addition, the Health District has qualified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

In conformance with Governmental Accounting and Financial Reporting Standards, the Health District is the reporting entity for financial reporting purposes. The Health District is the level of government having financial accountability and control to provide community health services and to lease certain of its assets to PVHCI/PVHS and UCHealth. The Health District is not included in any other governmental reporting entity. The Health District officials are publicly elected and are empowered to adopt a budget to expend Health District revenues, select management, significantly influence operations, and are accountable for fiscal matters.

The financial statements of the Health District include all funds that are controlled by, or dependent upon, the elected officials. Control by, or dependence on, the elected officials is determined on the basis of budget adoption, taxing authority, outstanding debt which may be secured by general obligation of the Health District, and the responsibility of the Health District to finance debt.

**NOTE 2    SUMMARY OF ACCOUNTING POLICIES**

The accounting policies of the Health District conform to accounting principles generally accepted in the United States of America. The following is a summary of the Health District's significant accounting policies.

**Basic Financial Statements, Measurement Focus, and Basis of Accounting**

Basic financial statements consist of the government-wide financial statements and the fund financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government. The fund financial statements provide a more detailed level of financial information for the governmental fund.

**HEALTH SERVICES DISTRICT OF NORTHERN LARIMER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)**

**Basic Financial Statements, Measurement Focus, and Basis of Accounting (Continued)**

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 related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Program revenues include, 1) net charges to patients or applicants who receive services 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 instead as general revenues.

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. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt services expenditures are recorded only when payment is due.

The Health District reports only one fund – the general fund, a governmental fund. The general fund accounts for all financial resources of the Health District.

**Cash and Investments**

Cash includes highly liquid investments with a maturity of three months or less when purchased and are stated at cost, which approximates market. Investments include certificates of deposit, which are valued at amortized cost, and investments in investment pools set up under state statute (ColoTrust), which are valued at net asset value.

**Patient Receivable and Credit Policy**

Patient receivables are uncollateralized patient and third-party payor obligations. The Health District does not charge interest on delinquent accounts. Payments of patient receivables are allocated to the specific services identified in the remittance advice or, if unspecified, are applied to the earliest services provided.

The Health District records receivables at the amount invoiced to patients. The Health District does not obtain collateral for its accounts receivable. The Health District does not hold any accounts receivable for sale.

**HEALTH SERVICES DISTRICT OF NORTHERN LARIMER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)**

**Patient Receivable and Credit Policy (Continued)**

Patient accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the Health District regularly analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts.

The Health District's process for calculating the allowance for doubtful accounts for self-pay patients has not significantly changed from December 31, 2020 to December 31, 2021. The Health District does not maintain a material allowance for doubtful accounts from third-party payors, nor did it have significant write offs from third-party payors.

For receivables associated with services provided to patients who have third-party coverage, the Health District analyzes contractually due amounts and provides an allowance for contractual adjustments, if necessary.

Contractual adjustments represent the difference between the Health District's established billing rate for covered services and amounts reimbursed by third-party payors, pursuant to reimbursement contracts. Contractual adjustments reduce the amount of revenue the Health District recognizes.

**Property Tax Receivable**

The Health District's property tax revenues, levied by January 1 on assessed valuation of the preceding year, are due and payable in the current calendar year. Assessed values are established by the county assessor. Property taxes attach as an enforceable lien on property as of January 1 of the year in which payable. The taxes are payable under two methods: 1) in full on or before April 30, or 2) one-half on or before February 28 and the remaining one-half on or before June 15. Taxes are collected by the Larimer County Treasurer and are remitted to the Health District on the 10<sup>th</sup> of the month following collection. All current taxes receivable are offset by the full amount of the deferred inflow of resources – property taxes. Management has determined there are no significant uncollectible amounts; therefore, property taxes receivable are reported without allowance for uncollectible accounts.

Budgeted property tax revenues reflected in the accompanying financial statements are based on the assessed valuation at the time of budget adoption. Actual property tax revenues are based on the final assessed valuation including changes recorded by the county assessor through December 14.

**Other Receivables**

Other receivables consist primarily of grant receivables from governmental entities and nonprofit organizations. Other receivables are reported at gross as management has determined no significant uncollectible amounts.

**HEALTH SERVICES DISTRICT OF NORTHERN LARIMER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)**

**Prepaid Items**

Certain payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements. The expenditure will be appropriately recognized using the consumption method in the benefitting period.

**Capital Assets**

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the Health District as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Property, plant, and equipment of the primary government is depreciated using the straight-line method over the estimated useful lives of the assets which range from three to forty years.

**Compensated Absences**

The Health District's employees earn paid time off days at varying rates depending on years of service. Employees may accumulate paid time off up to a specific maximum. Employees begin accruing paid time off upon the first day of employment with the total number of days accrued being determined by eligible years of service. Paid time off may be used for vacation, sick leave, dependent sick leave, or other personal needs. Compensated absences are calculated at the employee's base pay rate at the time the paid time off or compensatory time is used. It does not include overtime or other special forms of compensation. Compensated absences do include compensatory time, which is earned by employees in lieu of overtime payments for nonexempt employees. Compensatory time is awarded to nonexempt employees at a rate of one and one-half hours for each hour worked over forty-hours in a work week. Employees are paid for accumulated unused paid time off and accumulated unused compensatory time upon termination.

**Deferred Inflows of Resources**

In addition to liabilities, the statement of net position and the governmental fund balance sheet will sometimes report a separate section for deferred inflows of resources. The separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Health District has one item that qualifies for reporting in this category in both the statement of net position and balance sheet – governmental fund. The Health District reports property taxes as receivables and deferred inflows of resources when levied in the statement of net position and balance sheet – governmental fund.

**HEALTH SERVICES DISTRICT OF NORTHERN LARIMER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)**

**Deferred Inflows of Resources (Continued)**

In addition, the governmental fund financial statements may report a deferred inflow of resources for unavailable revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**Net Position**

Net position represents the difference between assets, liabilities, and deferred inflows of resources. The net position component "investment in capital assets" consists of capital assets, net of accumulated depreciation. Net position is restricted when constraints place on the net position are externally imposed. The remaining balance of net position is reported as restricted. It is the Health District's policy to use restricted net position first before using unrestricted net position.

**Fund Balance**

In the fund financial statements, fund balance of the Health District's governmental fund is classified as nonspendable, restricted, committed, assigned, or unassigned.

Nonspendable fund balance indicates amounts that cannot be spent either a) due to form; for example, inventories and prepaid amounts or b) due to legal or contractual requirements to be maintained intact.

Restricted fund balance indicates amounts constrained for a specific purpose by external parties, constitutional provision or enabling legislation as described in Note 9.

Committed fund balance indicates amounts constrained for a specific purpose by a government using its highest level of decision-making authority. It would require an ordinance by the Health District's board to remove or change the constraints placed on the resources. This action must occur prior to yearend; however, the amount can be determined in the subsequent period.

Assigned fund balance indicates amounts for the governmental fund, other than the general fund, any remaining positive amounts not classified in the above categories. For the general fund, amounts constrained for the intent to be used for a specific purpose has been delegated to the Executive Director.

Unassigned fund balance indicates amounts in the general fund that are not classified as nonspendable, restricted, committed, or assigned. The general fund is the only fund that would report a positive amount in unassigned fund balance. Board policy requires the Health District to maintain a minimum of \$1 million in liquid reserves.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Health District considered restricted funds to have been spent first. When both unassigned and committed, or assigned resources are available for use, it is the Health District's policy to use committed or assigned resources first, then unassigned as needed.

**HEALTH SERVICES DISTRICT OF NORTHERN LARIMER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)**

**Net Medical/Dental Service Revenue**

The Health District has agreements with third-party payors that provide for payments to the Health District at amounts different from its established rates. Payment arrangements include prospectively determined rates. Net medical/dental service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated contractual adjustments under reimbursement agreements with third-party payors. Contractual adjustments are accrued on an estimated basis in the period the related services are rendered.

For uninsured patients, the Health District recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy).

For the year ended December 31, 2021, approximately 77.2%, 22.3%, and 0.5% of net dental service revenue from third-party payors was received from Medicaid, other governments, and other third-party providers, respectively.

**Grants**

The Health District receives grants from governmental entities, corporations, and nonprofit organizations. Revenues from grants are recognized when all eligibility requirements, including time requirements are met. Grants are restricted for specific program purposes. Grants received prior to eligibility and time requirements being met are reflected as unearned revenue in the financial statements.

**Insurance Pool**

In 1996, the Health District transferred its property and liability insurance to Colorado Special Districts Insurance Pool. As a requirement of this Pool, the Health District placed into an Insurance Surplus Contribution Fund a specified amount (\$5,132) of cash. This surplus is subject to future insurance needs or a refund to the Health District if there are excess funds in the future. For the year ended December 31, 2021, the Colorado Special District Property & Liability Pool (CSDPLP) was made up of 1,955 members who are local governments. It is an organization created by an inter-government agreement in 1988 solely to provide property and casualty coverage to its members. Coverage is provided through pooling of self-insured losses and the purchase of stop-loss insurance coverage. A seven-member board elected by and from its members governs CSDPLP. The governing board is autonomous as to budgeting and fiscal matters.

In 2008, the Health District joined the Colorado Employer Benefit Trust (the Trust), a multiemployer trust of approximately 300 public institutions providing employee benefits. The purpose of the Trust is to spread the risk of adverse claims over a larger base of members and to reduce administrative costs.

Coverage is provided through pooling of self-insured losses and the purchase of coverage from third-party providers. The Trust is governed by a board of trustees made up of representatives from participating groups.

**HEALTH SERVICES DISTRICT OF NORTHERN LARIMER COUNTY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)**

**Use of Estimates in the Preparation of Financial Statements**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions may affect the reported amounts of assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**NOTE 3 CASH AND INVESTMENTS**

**Cash**

Colorado statutes govern the Health District's deposits of cash and investments. The Colorado Public Deposit Protection Act (PDPA) requires that all units of a 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 102% of the uninsured deposits.

At December 31, 2021, the Health District's carrying amount of deposits was \$531,532 and the bank balance was \$681,254. Cash balances may be transferred overnight in order to maximize interest income. The Health District also had petty cash balances amounting to \$1,425 at December 31, 2021.

**Investments**

The Health District is authorized by Colorado statutes to invest in the following:

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

**HEALTH SERVICES DISTRICT OF NORTHERN LARIMER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

The Health District categorizes its investments fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure fair value of the asset. The Health District has the following investments, of which they have determined do not meet the requirements for classification within the fair value hierarchy:

- Nonnegotiable certificates of deposit investments valued at amortized cost with average maturities of approximately eleven months. These certificates of deposits had a value of \$1,273,547 at December 31, 2021.
- The Health District participates in a local government investment pool, ColoTrust, an SEC-registered investment pool. The investment pool operates similarly to a money market fund; each share is equal in value to \$1.00. The investment in ColoTrust is measured at Net Asset Value. ColoTrust has a daily redemption frequency period and a one-day redemption notice period. At December 31, 2021, the Health District had \$4,236,500 invested in ColoTrust.

**Interest Rate Risk**

As a means of limiting local government exposure to fair value losses arising from interest rates, state law limits maturities to five years or less. The Health District is in compliance with state law.

The Health District participates in a local government investment pool, ColoTrust, an SEC-registered investment pool. The investment pool operates similarly to a money market fund; each share is equal in value to \$1.00. The carrying amount and fair value of the investment are the same. ColoTrust invests solely in securities that are permitted pursuant to Colorado Revised Statutes. A designated custodial bank provides safekeeping and depository services in connection with direct investment and withdrawal functions of the investment pools. Substantially all securities owned by the investment pool are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by each investment pool.

**Credit Risk**

The government investment pool has received a rating of AAAM by Standard & Poor's.

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Health District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. This type of risk is minimized by limiting investments to the types of securities allowed by state law.



**HEALTH SERVICES DISTRICT OF NORTHERN LARIMER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Concentration of Credit Risk**

The Health District has no policy that would limit the amount that may be invested with any one issuer; however, the Health District's investment policy calls for investment diversification within the portfolio to avoid unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities.

**NOTE 4 LEASE OF ASSETS**

In 1994, the Health District entered into a lease arrangement whereby it leased certain assets to PVHCI.

In 2012, PVHCI/PVHS entered into a joint operating agreement with the University of Colorado Hospital Authority, creating a combined health system called University of Colorado Health, at which time the lease arrangement was amended. The 2021 annual lease payment from PVHCI/PVHS to the Health District was \$1,183,569 and the lease includes a 3% increase for each of the following years. The maturity date was extended to April 2062 and is cancelable only upon mutual agreement of both parties, default, or other terms of the revised lease. The lease has the characteristics of an operating lease.

At December 31, 2021, future noncancelable minimum lease payments due under the lease are as follows:

<u>Year Ending December 31,</u>	
2022	\$ 1,219,076
2023	1,255,648
2024	1,293,317
2025	1,332,117
2026	1,372,080
2027 - 2031	7,503,098
2032 - 2036	8,698,147
2037 - 2041	10,083,536
2042 - 2046	11,689,582
2047 - 2051	13,551,430
2052 - 2056	15,709,821
2057 - 2061	18,211,988
2062	1,299,566
Total	<u>\$ 93,219,408</u>

The Health District recognized \$1,183,569 of lease income in 2021 attributable to this agreement.

In 2021, the Health District purchased a building from the CSU Research Foundation. At the time of this purchase, CSU was leasing six office units to various vendors. At the time of the purchase, the Health District honored these lease agreements. The 2021 annual lease income from these vendors to the Health District was \$159,985.

**HEALTH SERVICES DISTRICT OF NORTHERN LARIMER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 4 LEASE OF ASSETS (CONTINUED)**

At December 31, 2021, future noncancelable minimum lease payments due under the lease are as follows:

<u>Year Ending December 31,</u>	
2022	\$ 113,577
2023	76,496
2024	52,716
2025	28,923
Total	<u>\$ 271,712</u>

The Health District recognized \$159,985 of lease income in 2021 attributable to this agreement.

**NOTE 5 CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets, Not Being Depreciated:				
Land	\$ 4,592,595	\$ -	\$ -	\$ 4,592,595
Construction in Progress	-	34,902	-	34,902
Total Capital Assets, Not Being Depreciated	4,592,595	34,902	-	4,627,497
Capital Assets Being Depreciated:				
Building	4,429,448	2,725,131	-	7,154,579
Building Improvements	16,667	-	-	16,667
Equipment	1,139,136	108,045	(7,082)	1,240,099
Total Capital Assets Being Depreciated	5,585,251	2,833,176	(7,082)	8,411,345
Less Accumulated Depreciation:				
Building	(1,899,600)	(175,503)	-	(2,075,103)
Building Improvements	(16,667)	-	-	(16,667)
Equipment	(1,000,821)	(66,277)	7,082	(1,060,016)
Total Accumulated Depreciation	(2,917,088)	(241,780)	7,082	(3,151,786)
Total Capital Assets, Being Depreciated, Net	2,668,163	2,591,396	-	5,259,559
Governmental Activities Capital Assets, Net	<u>\$ 7,260,758</u>	<u>\$ 2,626,298</u>	<u>\$ -</u>	<u>\$ 9,887,056</u>

**HEALTH SERVICES DISTRICT OF NORTHERN LARIMER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 5 CAPITAL ASSETS (CONTINUED)**

Depreciation expense for the year ended December 31, 2021, was charged to functional programs as follows:

Dental Services	\$ 87,126
MH/SA/Primary Care	24,106
Connections	45,319
Health Care Access	27,445
Health Promotion	19,205
Community Impact	16,060
General Government	13,124
Assessment, Research, and Evaluation	5,102
Resource Development	4,292
Total Depreciation Expense - Governmental Activities	<u>\$ 241,780</u>

**NOTE 6 LEASES**

The Health District leases office space under two separate long-term agreements. The leases expire in December 2021 and January 2023.

Future minimum lease payments for the leases are as follows:

<u>Year Ending December 31,</u>	Operating Lease
2022	\$ 42,050
2023	3,511
Total Minimum Lease Payment	<u>\$ 45,561</u>

Total lease expense for the year ended December 31, 2021 was \$49,887.

**NOTE 7 LONG-TERM LIABILITIES**

A summary of the changes in long-term liabilities for the year ended December 31, 2021 are as follows:

	<u>January 1, Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>December 31, Balance</u>	<u>Due Within One Year</u>
Compensated Absences	<u>\$ 492,332</u>	<u>\$ 578,310</u>	<u>\$ 578,688</u>	<u>\$ 491,954</u>	<u>\$ 449,169</u>

**HEALTH SERVICES DISTRICT OF NORTHERN LARIMER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 8 EMPLOYEE RETIREMENT PLANS**

**Money Purchase Plan**

The Health District offers its employees a defined contribution money purchase plan administered by Nationwide Financial Services. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the date of employment. The plan requires both employer and employees to contribute amounts of 5% and 3%, respectively, of the base salary each pay period. Contributions made by the Health District are not taxable to the employee until they are withdrawn. Employee contributions are made with pre-tax dollars, and the earnings on the Health District and employee contributions are not taxed until withdrawn. Employees are fully vested in the plan upon completion of two years of service. The Health District contributions to the plan were \$357,378 for the year ended December 31, 2021. Covered payroll was \$7,159,200 for the year ended December 31, 2021.

**Deferred Compensation Plan**

The Health District established a deferred compensation plan in accordance with Internal Revenue Code Section 457 in 1994. All fees are paid by participants, and there is no employer contribution. The funds are invested and administered by an independent third party. The Health District had 42 employees participate during 2021.

**NOTE 9 COMMITMENTS AND CONTINGENCIES**

**Hospital Lease Agreement**

In 1994, the Health District entered into a lease agreement that leased certain assets owned by the Health District to PVHCI (see Note 4). In 2012, PVHCI/PVHS entered into a Joint Operating Agreement with the University of Colorado Hospital Authority, creating a combined health system UCHHealth, at which time the lease agreement between the Health District and PVHCI/PVHS was amended. The amended lease agreement expires April 30, 2062.

There are certain circumstances in which PVHCI/PVHS assets would be transferred to the Health District, and in which the Health District might be required to assume the obligations of PVHCI/PVHS. These situations include: 1) termination (either early termination, or at the end of the lease period) of the Operating Lease Agreement between PVHCI/PVHS, the Health District, and UCHHealth; and 2) early termination of the Joint Operating Agreement between PVHCI/PVHS, UCHA, and UCHHealth. The exact terms of when these situations would apply, as well as what assets would be transferred, are governed by 1) the original Operating Lease Agreement, and all subsequent amendments, including the "Operating Lease Amendment and Consent Agreement" executed in February 2012, and 2) the Joint Operating Agreement between PVHCI/PVHS, UCHA, and UCHHealth, executed in January 2012.

**HEALTH SERVICES DISTRICT OF NORTHERN LARIMER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 9 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**Revenue Limitations and Restrictions of Fund Balance**

The state of Colorado enacted a constitutional amendment (the TABOR amendment) effective December 31, 1992, to limit increases in government revenues. The limitation generally restricts growth in revenue of a governmental entity to a base amount plus increases for growth and inflation. In addition, the amendment requires government entities to create an emergency "reserve" of 3% of annual spending excluding bonded debt service. In November 2000, voter approval was given to the Health District to remove the restriction on growth in revenue. At December 31, 2021, the Health District has complied with the requirements to include emergency reserves in its budgetary-basis fund balance.

**NOTE 10 RISK MANAGEMENT**

The Health District is exposed to various risks of loss related to torts, theft, damage and destruction of assets, errors and omissions, professional liability, cyber liability, injuries to employees, and natural disasters. The Health District utilizes the Colorado Special Districts Property and Liability Pool and COPIC Insurance Company to manage its risks. Insurance coverage provides protection for professional liability losses on an incidental basis subject to a limit of \$1 million per incident and an annual aggregate limit of \$3 million. The Health District has not had any settlements in excess of insurance coverage for any of the previous three years.

**NOTE 11 RELATED PARTY TRANSACTIONS**

The Health District is a member of the Colorado Employer Benefit Trust (CEBT), which provides the Health District with health, life, and vision insurance coverage. The Finance Director of the Health District serves as a member on the board of trustees of CEBT. The Health District paid \$985,212 to CEBT during the year ended December 31, 2021. The Finance Director also serves on the board of directors for the Colorado Special Districts Property and Liability Pool, which provides the Health District with insurance services. The Health District paid approximately \$61,318 to the Colorado Special Districts Property and Liability Pool during the year ended December 31, 2021. The Finance Director also serves on the board of directors for the Special Districts Association Benefits Committee, which provides the Health District with SDA membership. The Health District paid approximately \$1,938 to the Colorado Special Districts Property and Liability Pool during the year ended December 31, 2021.

**NOTE 12 TAX ABATEMENTS**

The Health District does not directly abate taxes. However, for the year ended December 31, 2021 the Health District's property tax revenues were reduced by \$451,050 under various tax increment financing agreements entered into by the City of Fort Collins and Town of Timnath.

**HEALTH SERVICES DISTRICT OF NORTHERN LARIMER COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL – GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual Amounts	Variances Over (Under)
<b>REVENUE</b>			
Property and Specific Ownership Taxes	\$ 8,924,968	\$ 8,913,528	\$ (11,440)
Lease Income	1,183,569	1,343,554	159,985
Investment Earnings	130,000	16,101	(113,899)
Net Charges for Services	1,048,747	1,020,928	(27,819)
Grants and Partnerships	1,428,883	720,828	(708,055)
Miscellaneous Income	20,225	22,396	2,171
Total Revenue	12,736,392	12,037,335	(699,057)
<b>EXPENDITURES</b>			
Current:			
General Government	1,198,522	976,045	(222,477)
Program Operations:			
Dental Services	3,865,495	3,295,322	(570,173)
MH/SA/Primary Care	1,219,791	1,018,952	(200,839)
Health Promotion	865,158	758,146	(107,012)
Community Impact	713,580	523,940	(189,640)
Connections: Mental Health			-
Substance Use Issues Services	2,122,111	1,776,418	(345,693)
Grants, Partnerships and			-
Special Projects	4,137,418	1,645,423	(2,491,995)
Assessment, Research and Evaluation	265,194	241,265	(23,929)
Resource Development	193,262	178,002	(15,260)
HealthInfo Source	65,332	-	(65,332)
Health Care Access	1,198,739	994,646	(204,093)
Total Current Expenditures	15,844,603	11,408,159	(4,436,443)
Capital Outlay	3,072,275	2,868,078	(204,197)
Contingency	245,084	-	(245,084)
Total Expenditures	19,161,962	14,276,237	(4,885,724)
<b>NET CHANGE IN FUND BALANCE</b>	(6,425,570)	(2,238,902)	4,186,667
Fund Balance - Beginning of Year	6,425,570	7,132,102	706,532
<b>FUND BALANCE - END OF YEAR</b>	\$ -	\$ 4,893,200	\$ 4,893,199

**HEALTH SERVICES DISTRICT OF NORTHERN LARIMER COUNTY  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2021**

**NOTE 1 BUDGETS AND BUDGETARY ACCOUNTING**

The Health District conforms to the following procedures, in compliance with Colorado Revised Statutes, in establishing the budgetary guidelines reflected in the operations of the Health District.

Prior to or by October 15, the Director submits a proposed operating budget for the fiscal year commencing the following January 1, to the Health District Board of Directors (elected officials). The operating budget includes proposed expenditures and the means of financing.

Public hearings are held at regular Health District meetings to obtain taxpayer input.

Prior to or by December 15, the budget is legally enacted through passage of a budget resolution.

The Health District is authorized to transfer budgeted amounts within the accounts of the Health District. The Health District Board of Directors must approve revisions that change total expenditures.

The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America.

Appropriations are controlled and the budget is only amended in conformity with Colorado Revised Statutes. The Health District charter requires a balanced budget.

**Health District**  
OF NORTHERN LARIMER COUNTY  
**BOARD OF DIRECTORS**  
**REGULAR MEETING**  
**May 24, 2022**

**Health District Office Building**  
120 Bristlecone Drive, Fort Collins

**MINUTES**

**BOARD MEMBERS PRESENT:** Molly Gutilla, MS DrPH, Board Vice President  
Joseph Prows, MD MPH, Board Treasurer  
Celeste Kling, JD, Liaison to UCH-North/PVH  
Ann K. Yanagi, MD  
Julie Kunce Field, JD

**Staff Present:**

Robert Williams, Executive Director  
Chris Sheafor, Support Services Director  
James Stewart, Medical Director  
Karen Spink, Assistant Director  
Laura Mai, Finance Director  
Mike Ruttenberg, Connections Director

**Staff Present:**

Julie Abramoff, Clinical Nurse Manager  
Maggie Mueller, Community Health Nurse  
MJ Jorgensen, MHSUA Manager  
Xochitl Fragoso, Assistant Finance Director  
Anita Benavidez, Executive Assistant

**Public Present:**

Beth DeHaven

**CALL TO ORDER; INTRODUCTIONS & APPROVAL OF AGENDA**

Vice President and Director Molly Gutilla called the meeting to order at 4:05 p.m.

**MOTION: To approve the agenda as Presented**  
**Moved/Seconded/Carried Unanimously**

**CONSENT AGENDA**

- Approval of April 26, 2022 Regular Meeting Minutes
- Financials
- Amend Position on SB22-238: 2023 and 2024 Property Tax

**MOTION: To approve the consent agenda as presented**  
***Moved by Celeste Kling / Seconded by Joseph Prows / Carried Unanimously***

**DISCUSSION & ACTIONS**

***Board Member Oaths of Office***

Each new Board member took the Oath of Office, committing to faithfully perform the duties of their office and to support the constitution of the United States, the constitution of the state of Colorado, and the laws made pursuant thereto, as required by §32-1-901 of the Colorado Revised Statutes.

***Setting a Board Retreat***

After brief discussion it was agreed that the Board would meet for a mini-retreat in June or July and a full-day retreat in September. The initial focus will be on programs with the mission, vision, and strategies priorities for the full-day retreat. Two of the Board members noted that they would not be available in June so the mini-retreat will be scheduled for a date in July agreeable to all board members.



### ***Board Officer Elections***

Director Gutilla noted that there are five officer positions: president, vice-president, secretary, treasurer, and liaison to UCHHealth. Position descriptions from the Bylaws were included in the Board packet. It was noted that the treasurer has responsibility for overseeing the annual audit as well as financial reports. The Liaison position requires two years as an active Board member.

**MOTION: To elect Board officers as follows:**

**Molly Gutilla, President; Julie Kunce Field, Vice President; Ann Yanagi, Secretary; Joseph Prows, Treasurer, and Celeste Holder Kling, Liaison to UCHHealth North/PVH**

***Moved by Joseph Prows / Seconded by Celeste Holder Kling /  
Carried Unanimously***

### **PUBLIC COMMENT**

None

### **PRESENTATIONS**

#### ***Opening***

Robert Williams opened this portion of the meeting, informing Board members that they will have a Legislative Update as well as an update on Health Promotions activity related to the pandemic. Next month will focus on specific programs.

#### ***Legislation Update***

The Legislative Session ended at midnight of the 120<sup>th</sup> day. 513 of 657 bills passed (78%); the State budget was set at \$35B; federal pandemic relief budget of \$2B; and \$2B (15%) in the State Revenue Reserve Funding. There were considerable negotiations on the fentanyl bill, which passed, with amendments, at 11:30 pm. All policies that the Health District supported passed except the flavored tobacco bill. It is expected that all bills will be signed by the Governor. Lisa Ward noted three significant amendments to the fentanyl bill: (1) The bill now allows defendants the opportunity to prove they did not knowingly possess fentanyl during a jury trial; (2) the 2025 repeal was struck; and (3) county jails will now be required to offer Medication Assisted Treatment (MAT). The fiscal note was not significantly increased to accommodate the MAT requirements. A comprehensive written wrap-up will be in next month's Board packet.

#### ***Health Promotion***

Dr. James Stewart provided a brief overview on the Health District COVID-19 vaccine clinics. A great team of staff sacrificed a lot – working weekends, taking on additional duties, etc. They stepped up to the plate and those vaccinations have made a huge difference in hospitalizations and deaths. A bit of history: At the end of 2020, the State asked the Health District to apply to be a vaccine provider. A planning committee was formed to make it happen. Equipment was ordered to meet standards and sufficient staffing was ensured. They were able to build from historical experience with H1N1 and meningitis. The process early on was complicated. Bilingual staff created materials. Dr. Yanagi volunteered as a vaccinator. Priority populations (the elderly, BIPOC, LatinX, etc.) and those hard to reach were targeted.

The Health District partnered with 17 different community organizations. As of the end of April 2022, nearly 3,500 doses were delivered with about half in mobile clinics and 24% in rural settings. Over 400 doses were delivered to people experiencing homelessness. Outreach included messaging to people in their own language in safe places by trusted messengers. Mobile clinics included the Murphy Center, Catholic Charities, the Abyssinian Church, and the Holiday Twin Drive-In. Staff is returning to routine services with vaccine clinics ending at the Health District Bristlecone Offices. The mobile clinic will continue and there will be additional clinics at the Murphy Center and rural sites (Red Feather Lakes

which was combined with heart health). Approximately 73% of Larimer County residents have received at least one dose. Sadly, 91% of deaths were in the 55+ age group.

Partnerships and existing relationships were very helpful. Community leaders rallied to work with the BIPOC population. The LatinX population was already identified as a target and staff leveraged existing relationships (County Public Health, Salud, and UCH) to coordinate efforts. Over time, redundancies were ironed out. A written process is currently being developed. Kudos to the team for outreach, filling in gaps and getting to those at most risk. There were a lot of lessons learned about phasing and missed opportunities. Kudos from staff to Dr. Stewart for his quick and effective response despite being new to the Health District.. The Board was impressed with staff successes in this arena.

## ***OTHER UPDATES & REPORTS***

### ***Liaison to PVHS/UCHealth North Report***

The last meeting of the UCH North/PVH Board was May 18. The joint board meeting is still on hold although they recognize the need to get that scheduled. PVH is ready whenever the Health District is ready. PVH is open to having the program be whatever is appropriate and they are willing to share the results of their community survey. It was reported that they are getting back on track financially. A legislative report was presented at the last PVH Board meeting and Director Kling found it interesting to hear legislative news from the PVH perspective compared to the Health District perspective. Activities include starting with a new security provider at PVH; strategic planning; Mountain Crest move into the hospital; and working with SummitStone on the detox center. Staffing is going better. UCHealth shared their community survey with Robert Williams. It was noted that it would be worthwhile to determine from which populations it is hard to get information. The hospital's non-profit status requires a community survey to reflect where they are giving back. UCHealth does their survey every three years; Larimer County Health Department every five years; and the Health District every three years. There is hope that these surveys can be coordinated better going forward. Director Celeste Holder Kling noted that she will not be in attendance for the June Board meeting.

### ***Executive Director Updates***

Mr. Williams noted that the first quarter report is being revisited to make it more useful for the Board and the public. Performance measures are being defined to roll into a strategic plan. Work is progressing on a Board "portal" for sharing Board materials. The Health District is pulling back on some pandemic activities including closing the IRQ. Data and summaries will be provided at the next meeting.

## **PUBLIC COMMENT (2<sup>nd</sup> opportunity)**

A Board member expressed their sadness about the big school shooting in Texas. It is disheartening.

## **ANNOUNCEMENTS**

- June 28, 4:00 pm – Board of Directors Regular Meeting
- July 26, 4:00 pm – Board of Directors Regular Meeting
- August 23, 4:00 pm – Board of Directors Regular Meeting
- September 27, 4:00 pm – Board of Directors Regular Meeting

## **ADJOURN**

**MOTION: To adjourn the Meeting**

***Motion by Joseph Prows / Second by Julie Field / Carried Unanimously***

The meeting was adjourned at 5:10 pm.

Respectfully submitted:

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Anita Benavidez, Assistant to the Board of Directors

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Molly Gutilla, MS DrPH, Board President

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Julie Kunce Field, JD, Board Vice President

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Celeste Kling, JD, Liaison to UCH-North and PVHS Board

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Joseph Prows, MD MPH, Board Treasurer

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Ann Yanagi, MD, Board Secretary



**RESOLUTION TO APPROVE SIGNATORS  
FOR ACCESS TO  
SAFE DEPOSIT BOXES 2219 AND 5542**

**Resolution 2022-15**

**BE IT RESOLVED BY THE** Board of Directors of the Health District of Northern Larimer County that any two of the following signators are approved to have access to the Health District's Safety Deposit Boxes 2219 and 5542 at the First National Bank, 205 West Oak Street, Fort Collins, Colorado.

**Approved for Signatures**

Ann Yanagi, Secretary  
Joseph W. Prows, Treasurer  
Robert B. Williams, Executive Director  
Laura B. Mai, Finance Director  
Anita K. Benavidez, Assistant to the Executive Director and the Board of Directors

**ADOPTED, this 28<sup>th</sup> day of June, A.D., 2022.**

Attest:

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Molly J. Gutilla, President

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Julie Kunce Field, Vice President

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Ann Yanagi, Secretary

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Joseph W. Prows, Treasurer

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Celeste Holder Kling  
UC Health-North/PVHS Board Liaison

**Replaces the Following Resolution:**

2010-10 Adopted July 21, 2010  
2014-10 Adopted May 21, 2014  
2016-14 Adopted July 21, 2016  
2018-12 Adopted September 25, 2018  
2019-03 Adopted March 28, 2019  
2022-03 Adopted April 14, 2022

Resolution 2022-03



## **RESOLUTION TO APPROVE SIGNATORS FOR ACCESS TO SAFE DEPOSIT BOX 4919**

### **Resolution 2022-16**

**BE IT RESOLVED BY THE** Board of Directors of the Health District of Northern Larimer County that any one of the following signators are approved to have access to the Health District's Safety Deposit Box 4919 at the First National Bank, 205 West Oak Street, Fort Collins, Colorado.

#### **Approved for Signatures**

Ann Yanagi, Secretary  
Joseph W. Prows, Treasurer  
Robert B. Williams, Executive Director  
Laura B. Mai, Finance Director  
Anita K. Benavidez, Assistant to Executive Director and Board of Directors

**ADOPTED, this 28<sup>th</sup> day of June, A.D., 2022.**

Attest:

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Molly J. Gutilla, President

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Julie Kunce Field, Vice President

---

Ann Yanagi, Secretary

---

Joseph W. Prows, Treasurer

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Celeste Holder Kling  
UC Health-North/PVHS Board Liaison

**Replaces the Following Resolution:**  
2012-5 Adopted September 6, 2012  
2014-11 Adopted May 21, 2014  
2016-15 Adopted July 21, 2016  
2018-13 Adopted Sept. 25, 2018  
2019-04 Adopted March 28, 2019  
2022-04 Adopted April 14, 2022



## **RESOLUTION TO APPROVE SIGNATORS FOR ACCESS TO SAFE DEPOSIT BOX 5546**

### **Resolution 2022-17**

**BE IT RESOLVED BY THE** Board of Directors of the Health District of Northern Larimer County that any one of the following signators are approved to have access to the Health District's Safety Deposit Box 5546 at the First National Bank, 205 West Oak Street, Fort Collins, Colorado.

#### **Approved for Signatures**

Ann Yanagi, Secretary  
Joseph W. Prows, Treasurer  
Robert B. Williams , Executive Director  
Laura B. Mai, Finance Director  
Anita K. Benavidez, Assistant to Executive Director and Board of Directors

**ADOPTED, this 28<sup>th</sup> day of June, A.D., 2022.**

Attest:

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Molly J. Gutilla, President

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Julie Kunce Field, Vice President

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Ann Yanagi, Secretary

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Joseph W. Prows, Treasurer

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Celeste Holder Kling  
UC Health-North/PVHS Board Liaison

**Replaces the Following Resolution:**  
2018-14 Adopted Sept. 25, 2018  
2019-04 Adopted March 28, 2019  
2022-05 Adopted April 14, 2022

Resolution 2022-05



**RESOLUTION TO APPROVE SIGNATORS  
FOR ACCESS TO  
SAFE DEPOSIT BOX 5742**

**Resolution 2022-18**

**BE IT RESOLVED BY THE** Board of Directors of the Health District of Northern Larimer County that any one of the following signators are approved to have access to the Health District's Safety Deposit Box 5742 at the First National Bank, 205 West Oak Street, Fort Collins, Colorado.

**Approved for Signatures**

Robert B. Williams, Executive Director  
Laura B. Mai, Finance Director  
Anita K. Benavidez, Assistant to Executive Director and Board of Directors  
Ann Yanagi, Secretary  
Joseph W. Prows, Treasurer

**ADOPTED, this 28<sup>th</sup> day of June, A.D., 2022.**

Attest:

\_\_\_\_\_  
Molly J. Gutilla, President

\_\_\_\_\_  
Julie Kuncie Field, Vice President

\_\_\_\_\_  
Ann Yanagi, Secretary

\_\_\_\_\_  
Joseph W. Prows, Treasurer

\_\_\_\_\_  
Celeste Holder Kling  
UC Health-North/PVHS Board Liaison

Replaces the Following Resolutions:  
2016-18 Adopted on November 15, 2016  
2018-15 Adopted on September 25, 2018  
2019-06 Adopted on March 28, 2019  
2022-06 Adopted on April 14, 2022



## **RESOLUTION TO APPROVE SIGNATORS FOR FIRST NATIONAL BANK ACCOUNT NUMBER XXX4934**

### **Resolution 2022-19**

**BE IT RESOLVED BY THE** Board of Directors of the Health District of Northern Larimer County that the following signators are approved for signing checks, making fund transfers from this Health District account at First National Bank, 205 West Oak Street, Fort Collins, CO, or signing investment documents in accordance with Health District of Northern Larimer County Investment Guidelines. All allowable signatures or authorizations must conform to Policy 2010-01: Financial Accounts Signature Policy adopted by the Health District on the 28th day of September, 2021.

**Approved for Check Signatures (two signatures required for checks over \$25,000, one signature required for checks \$25,000 or less)**

Molly J. Gutilla, Board President  
Ann Yanagi, Secretary  
Joseph W. Prows, Treasurer  
Robert B. Williams, Executive Director  
Laura B. Mai, Finance Director (limit: \$15,000)

**Approved to Authorize Fund Transfers ONLY to Health District Accounts**

Ann Yanagi, Secretary  
Joseph W. Prows, Treasurer  
Robert B. Williams, Executive Director  
Laura B. Mai, Finance Director

**Approved to Make Automated Clearing House (ACH) transactions** through the First National Bank Cash Management System for:

- ♦ Vendor payments for goods and services (excluding employee benefit premiums and insurance premiums). Individual vendor invoices for payment must include authorized signature(s) in accordance with Policy 21-01: Contract Signature Policy. (Invoices over \$25,000 require two signatures). No dollar amount limit).
- ♦ Payments of employee benefit premiums and insurance premiums (No dollar amount limit).

Robert B. Williams, Executive Director  
Laura B. Mai, Finance Director



**Approved to Make Wire Transfers** (two in-person authorizations required; one must be a Board member, the other a staff member)

Ann Yanagi, Secretary (Board Member)  
Joseph W. Prows, Treasurer (Board Member)  
Robert B. Williams, Executive Director (Staff member)  
Laura B. Mai, Finance Director (Staff member)

**Approved to Sign Investment Documents** (two signatures required); requires prior approval by Executive Director or designee.

Ann Yanagi, Secretary  
Joseph W. Prows, Treasurer  
Robert B. Williams, Executive Director  
Laura B. Mai, Finance Director

**ADOPTED, this 28<sup>th</sup> day of June, A.D., 2022.**

Attest:

\_\_\_\_\_  
Molly J. Gutilla, President

\_\_\_\_\_  
Julie Kunce Field, Vice President

\_\_\_\_\_  
Ann Yanagi, Secretary

\_\_\_\_\_  
Joseph W. Prows, MD, Treasurer

\_\_\_\_\_  
Celeste Holder Kling  
UC Health-North/PVHS Board Liaison

**Replaces the Following Resolutions:**

2018-07 Adopted July 21, 2016  
2014-05 Adopted May 21, 2014  
2010-05 Adopted June 29, 2010  
2008-13 Adopted June 24, 2008  
2008-4 Adopted  
2006-5 Adopted June 27, 2006  
2004-8 Adopted February 24, 2004  
2002-5 Adopted June 25, 2002  
2001-3 Adopted August 28, 2001  
2000-16 Adopted October 24, 2000  
2000-9 Adopted August 22, 2000  
2018-07 Adopted September 25, 2018  
2022-09 Adopted April 14, 2022



**RESOLUTION TO APPROVE SIGNATORS  
FOR FIRST NATIONAL BANK ACCOUNT  
NUMBER XXXX0218**

**Resolution 2022-20**

**BE IT RESOLVED BY THE** Board of Directors of the Health District of Northern Larimer County that the following signators are approved for signing checks, and making fund transfers to/from this Health District account at First National Bank, 205 West Oak Street, Fort Collins, Colorado. All allowable signatures or authorizations must conform to Policy 2010-01: Financial Accounts Signature Policy adopted by the Health District on the 28th day of September, 2021.

**Approved for Check Signatures (two signatures required for checks over \$25,000, one signature required for checks \$25,000 or less)**

Molly J. Gutilla, Board President  
Ann Yanagi, Secretary  
Joseph W. Prows, Treasurer  
Robert B. Williams, Executive Director  
Laura B. Mai, Finance Director (limit: \$15,000)

**Approved to Authorize Fund Transfers ONLY to Health District Accounts**

Ann Yanagi, Secretary  
Joseph W. Prows, Treasurer  
Robert B. Williams, Executive Director  
Laura B. Mai, Finance Director

**Approved to Make Automated Clearing House (ACH) transactions** through the First National Bank Cash Management System for vendor payments. (Dollar amount limits as specified above).

Robert B. Williams, Executive Director  
Laura B. Mai, Finance Director

**ADOPTED, this 28<sup>th</sup> day of June, A.D., 2022.**

Attest:

\_\_\_\_\_  
Molly J. Gutilla, President

\_\_\_\_\_  
Julie Kunce Field, Vice President

\_\_\_\_\_  
Ann Yanagi, Secretary

\_\_\_\_\_  
Joseph W. Prows, Treasurer

\_\_\_\_\_  
Celeste Holder Kling  
UC Health-North/PVHS Board Liaison

**Replaces the Following Resolutions:**

2009-04	Adopted May 6, 2009
2010-08	Adopted June 29, 2010
2014-08	Adopted May 21, 2014
2016-10	Adopted July 21, 2016
2018-08	Adopted September 25, 2018
2022-10	Adopted April 14, 2022



**RESOLUTION TO APPROVE SIGNATORS  
FOR FIRST NATIONAL BANK ACCOUNT  
NUMBER XXX6405**

**Resolution 2022-21**

**BE IT RESOLVED BY THE** Board of Directors of the Health District of Northern Larimer County that the following signators are approved for signing checks or making fund transfers from this Health District account at First National Bank, 205 West Oak Street, Fort Collins, CO. This account is to be used solely as a payroll imprest account. All allowable signatures or authorizations must conform to Policy 2010-01: Signature Policy adopted by the Health District on the 28<sup>th</sup> day of September, 2021.

**Approved for Check Signatures (two signatures required for checks over \$25,000, one signature required for checks \$25,000 or less)**

Molly J. Gutilla, Board President  
Ann Yanagi, Secretary  
Joseph W. Prows, Treasurer  
Robert B. Williams, Executive Director  
Laura B. Mai, Finance Director (limit: \$15,000)

**Approved to Authorize Fund Transfers ONLY to Health District Accounts**

Ann Yanagi, Secretary  
Joseph W. Prows, Treasurer  
Robert B. Williams, Executive Director  
Laura B. Mai, Finance Director

**ADOPTED, this 28<sup>th</sup> day of June, A.D., 2022.**

Attest:

\_\_\_\_\_  
Molly J. Gutilla, President

\_\_\_\_\_  
Julie Kunce Field, Vice President

\_\_\_\_\_  
Ann Yanagi, Secretary

\_\_\_\_\_  
Joseph W. Prows, Treasurer

\_\_\_\_\_  
Celeste Holder Kling  
UC Health-North/PVHS Board Liaison

**Replaces the Following Resolution(s):**

2000-10 Adopted August 22, 2000  
2002-06 Adopted June 25, 2002  
2004-07 Adopted February 24, 2004  
2006-06 Adopted February 27, 2006  
2008-12 Adopted June 24, 2008  
2010-06 Adopted June 29, 2010  
2014-06 Adopted May 21, 2014  
2016-11 Adopted July 21, 2016  
2018-09 Adopted September 25, 2018  
2022-11 Adopted April 14, 2022



**RESOLUTION TO APPROVE SIGNATORS  
FOR FIRST NATIONAL BANK  
SAVINGS ACCOUNT  
NUMBER XXXX7351**

**Resolution 2022-22**

**BE IT RESOLVED BY THE** Board of Directors of the Health District of Northern Larimer County that the following signators are approved for fund transfers to/from this Health District account at First National Bank, 205 West Oak Street, Fort Collins, Colorado. All allowable signatures or authorizations must conform to Policy 2010-01: Financial Accounts Signature Policy adopted by the Health District on the 28th day of September, 2021.

**Approved to Authorize Fund Transfers ONLY from/to Health District Accounts**

Ann Yanagi, Secretary  
Joseph W. Prows, Treasurer  
Robert B. Williams, Executive Director  
Laura B. Mai, Finance Director

**ADOPTED, this 28<sup>th</sup> day of June, A.D., 2022.**

Attest:

\_\_\_\_\_  
Molly J. Gutilla, President

\_\_\_\_\_  
Julie Kunce Field, Vice President

\_\_\_\_\_  
Ann Yanagi, Secretary

\_\_\_\_\_  
Joseph W. Prows, Treasurer

\_\_\_\_\_  
Celeste Holder Kling  
UC Health-North/PVHS Board Liaison

**Replaces the Following Resolutions:**

2009-05 Adopted August 18, 2009  
2010-07 Adopted June 29, 2010  
2014-07 Adopted May 21, 2014  
2016-12 Adopted July 21, 2016  
2018-10 Adopted September 25, 2018  
2022-12 Adopted April 14, 2022

**HEALTH DISTRICT**  
**of Northern Larimer County**  
**December 2021**  
**Summary Financial Narrative**

**Revenues**

The Health District is 0.1% ahead of year-to-date tax revenue projections. Interest income is 87.6% behind year-to-date projections. Lease revenue is 4.9% ahead of year-to-date projections. Yield rates on investment earnings decreased slightly from 0.16% to 0.15% (based on the weighted average of all investments). Fee for service revenue from clients is 9.1% behind year-to-date projections and revenue from third party reimbursements is 16.7% ahead of year-to-date projections. Total operating revenues for the Health District (excluding grants and special projects) are 0.05% ahead of year-to-date projections.

**Expenditures**

Operating expenditures (excluding grants and special projects) are 16.6% behind year-to-date projections. Program variances are as follows: Administration 8.3%; Board 66.0%; Connections: Mental Health/Substance Issues Services 16.3%; Dental Services 14.6%; MH/SUD/Primary Care 16.5%; Health Promotion 12.4%; Community Impact 26.6%; Program Assessment and Evaluation 9.0%; Health Care Access 18.0%; and Resource Development 7.9%.

**Capital Outlay**

Capital expenditures are 7.0% behind year-to-date projections.

HEALTH DISTRICT OF NORTHERN LARIMER COUNTY  
BALANCE SHEET  
As of 12/31/2021

ASSETS

Current Assets:	
Cash & Investments	\$6,043,005
Accounts Receivable	101,415
Property Taxes Receivable	8,694,074
Specific Ownership Tax Receivable	44,053
Prepaid Expenses	96,117
Total Current Assets	<u>14,978,665</u>
Property and Equipment	
Land	4,592,595
Building and Leasehold Improvements	7,206,150
Equipment	1,240,097
Accumulated Depreciation	(3,151,787)
Total Property and Equipment	<u>9,887,054</u>
Total Assets	<u><u>24,865,719</u></u>

LIABILITIES AND EQUITY

Current Liabilities:	
Accounts Payable	1,028,737
Deposits	8,332
Deferred Revenue	796,799
Total Current Liabilities	<u>1,833,869</u>
Long-term Liabilities:	
Compensated Absences	42,785
Total Long-term Liabilities	<u>42,785</u>
Deferred Inflows of Resources	
Property Taxes	8,700,766
Total Deferred Inflows of Resources	<u>8,700,766</u>
Total Liabilities & Deferred Inflows of Resources	<u>10,577,420</u>
EQUITY	
Retained Earnings	13,900,525
Net Income	387,774
TOTAL EQUITY	<u>14,288,299</u>
TOTAL LIABILITIES AND EQUITY	<u><u>24,865,719</u></u>



HEALTH DISTRICT OF NORTHERN LARIMER COUNTY  
STATEMENT OF REVENUES AND EXPENSES  
As of 12/31/2021

	<u>Current Month</u>	<u>Year to Date</u>
Revenue		
Property Taxes	(6,692)	8,250,113
Specific Ownership Taxes	44,053	663,415
Lease Revenue	110,318	1,343,554
Interest Income	1,484	16,101
Fee For Service Income	11,039	151,853
Third Party Income	104,103	869,075
Grant Income	100,025	714,513
Special Projects	3,000	6,345
Miscellaneous Income	1,029	22,366
Total Revenue	<u>368,359</u>	<u>12,037,335</u>
Expenses:		
Operating Expenses		
Administration	89,870	846,018
Board Expenses	849	25,714
Connections: Mental Health/Substance Issues Svcs	250,443	1,776,342
Dental Services	400,424	3,295,219
Integrated Care (MHSA/PC)	125,367	1,018,895
Health Promotion	95,354	758,109
Community Impact	58,359	523,919
Program Assessment & Evaluation	30,990	241,253
Health Care Access	108,411	994,609
Resource Development	22,496	177,993
Mulberry Offices	20,704	104,289
Special Projects	203,525	975,590
Grant Projects	146,282	669,830
Total Operating Expenses	<u>1,553,075</u>	<u>11,407,780</u>
Depreciation and Amortization		
Depreciation Expense	20,582	241,781
Total Depreciation and Amortization	<u>20,582</u>	<u>241,781</u>
Total Expenses	<u>1,573,657</u>	<u>11,649,561</u>
Net Income	<u>(1,205,299)</u>	<u>387,774</u>

HEALTH DISTRICT OF NORTHERN LARIMER COUNTY  
Statement of Revenues and Expenditures - Budget and Actual  
As of 12/31/2021

	Current Month			Year to Date			Annual	Remaining
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Funds
<b>Revenue:</b>								
Property Taxes	\$34	(\$6,692)	\$6,726	\$8,274,968	\$8,250,113	\$24,855	\$8,274,968	\$24,855
Specific Ownership Taxes	57,507	44,053	13,454	650,000	663,415	(13,415)	650,000	(13,415)
Lease Revenue	112,932	106,020	6,913	1,343,585	1,278,212	65,373	1,343,585	65,373
Interest Income	30,000	1,484	28,516	130,000	16,101	113,899	130,000	113,899
Sales Revenue	50	0	50	600	0	600	600	600
Fee for Services Income	13,923	11,039	2,885	167,081	151,853	15,228	167,081	15,228
Third Party Reimbursements	107,685	114,823	(7,139)	881,666	1,029,060	(147,394)	881,666	(147,394)
Grant Revenue	655,635	100,025	555,610	1,404,188	714,513	689,675	1,404,188	689,675
Partnership Revenue	2,058	3,000	(942)	24,695	6,345	18,350	24,695	18,350
Miscellaneous Income	1,635	1,029	606	19,625	22,366	(2,741)	19,625	(2,741)
<b>Total Revenue</b>	<b>\$981,460</b>	<b>\$374,781</b>	<b>\$606,679</b>	<b>\$12,896,408</b>	<b>\$12,131,978</b>	<b>\$764,430</b>	<b>\$12,896,408</b>	<b>\$764,430</b>
<b>Expenditures:</b>								
Operating Expenditures								
Administration	\$60,117	\$89,870	(\$29,753)	\$922,767	\$846,018	\$76,749	\$922,767	\$76,749
Board Expenses	26,168	849	25,318	75,523	25,714	49,809	75,523	49,809
Connections: Mental Health/Substance Issues Svcs	178,721	250,443	(71,721)	2,121,411	1,776,342	345,069	2,121,411	345,069
Dental Services	318,780	400,424	(81,645)	3,860,795	3,295,219	565,576	3,860,795	565,576
Integrated Care (MH/SUD/PC)	101,321	125,367	(24,046)	1,219,791	1,018,895	200,896	1,219,791	200,896
Health Promotion	71,775	95,354	(23,579)	865,158	758,109	107,049	865,158	107,049
Community Impact	59,075	58,359	716	713,580	523,919	189,661	713,580	189,661
Program Assessment & Evaluation	21,955	30,990	(9,035)	265,194	241,253	23,941	265,194	23,941
Health Care Access	107,254	108,411	(1,157)	1,212,842	994,609	218,233	1,212,842	218,233
Resource Development	16,105	22,496	(6,391)	193,262	177,993	15,269	193,262	15,269
Mulberry Office	15,961	20,704	(4,743)	191,529	104,289	87,240	191,529	87,240
Contingency (Operations)	60,000	0	60,000	60,000	0	60,000	60,000	60,000
Special Projects	714,200	203,525	510,675	2,673,230	975,590	1,697,640	2,673,230	1,697,640
Grant Projects	700,501	146,282	554,219	1,404,188	669,830	734,358	1,404,188	734,358
<b>Total Operating Expenditures</b>	<b>\$2,451,933</b>	<b>\$1,553,075</b>	<b>\$898,857</b>	<b>\$15,779,270</b>	<b>\$11,407,780</b>	<b>\$4,371,490</b>	<b>\$15,779,270</b>	<b>\$4,371,490</b>
<b>Net Income</b>	<b><u>(\$1,470,473)</u></b>	<b><u>(\$1,178,295)</u></b>	<b><u>(\$292,178)</u></b>	<b><u>(\$2,882,862)</u></b>	<b><u>\$724,198</u></b>	<b><u>(\$3,607,060)</u></b>	<b><u>(\$2,882,862)</u></b>	<b><u>(\$3,607,060)</u></b>

**HEALTH DISTRICT OF NORTHERN LARIMER COUNTY**

**STATEMENT OF NON OPERATIONAL EXPENDITURES - BUDGET TO ACTUAL**

For 12/1/2021 to 12/31/2021

	<u>Current Month</u> <u>Budget</u>	<u>Current Month</u> <u>Actual</u>	<u>Current Month</u> <u>Variance</u>	<u>Year to Date</u> <u>Budget</u>	<u>Year to Date</u> <u>Actual</u>	<u>Year to Date</u> <u>Variance</u>	<u>Annual Budget</u>	<u>Annual Funds</u> <u>Remaining</u>
Non-Operating Expenditures								
Building	-	-	-	2,818,500	2,750,131	68,369	2,818,500	68,369
Construction in Progress	-	25,278	(25,278)	-	34,902			
Capital Equipment	-	-	-	14,300	-	14,300	14,300	14,300
General Office Equipment	20,000	-	20,000	60,000	-	60,000	60,000	60,000
Medical & Dental Equipment	-	-	-	121,775	80,626	41,149	121,775	41,149
Computer Equipment	-	-	-	-	-	-	-	-
Computer Software	-	-	-	-	-	-	-	-
Equipment for Building	-	-	-	57,700	27,419	30,281	57,700	30,281
Total Non-Operating Expenditures	<u>\$ 20,000</u>	<u>\$ 25,278</u>	<u>\$ (5,278)</u>	<u>\$ 3,072,275</u>	<u>\$ 2,893,079</u>	<u>\$ 214,099</u>	<u>\$ 3,072,275</u>	<u>\$ 214,099</u>

Unaudited - For Management Use Only

HEALTH DISTRICT OF NORTHERN LARIMER COUNTY  
Statement of Program Revenues and Expenditures - Budget and Actual  
As of 12/31/2021

	Current Month			Year to Date			Annual	Remaining
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Funds
<b><u>Administration</u></b>								
Revenue:								
Miscellaneous Income	\$875	\$0	\$875	\$10,500	\$7,469	\$3,031	\$10,500	\$3,031
Total Revenue	875	0	875	10,500	7,469	3,031	10,500	3,031
Expenditures:								
Salaries and Benefits	47,970	68,873	(20,903)	575,638	554,393	21,245	575,638	21,245
Supplies and Purchased Services	12,147	20,997	(8,850)	347,129	291,625	55,504	347,129	55,504
Total Expenditures	60,117	89,870	(29,753)	922,767	846,018	76,749	922,767	76,749
<b><u>Board of Directors</u></b>								
Expenditures:								
Salaries and Benefits	0	0	0	8,612	8,120	493	8,612	493
Supplies and Purchased Services	3,168	849	2,318	37,911	17,594	20,317	37,911	20,317
Election Expenses	23,000	0	23,000	29,000	0	29,000	29,000	29,000
Total Expenditures	26,168	849	25,318	75,523	25,714	49,809	75,523	49,809
<b><u>Connections: Mental Health/substance Issue</u></b>								
Revenue:								
Fees, Reimbursements & Other Income	2,083	2,162	(79)	25,000	34,024	(9,024)	25,000	(9,024)
Total Revenue	2,083	2,162	(79)	25,000	34,024	(9,024)	25,000	(9,024)
Expenditures:								
Salaries and Benefits	137,724	204,527	(66,803)	1,784,687	1,567,316	217,371	1,784,687	217,371
Supplies and Purchased Services	40,997	45,916	(4,918)	336,724	209,026	127,698	336,724	127,698
Total Expenditures	178,721	250,443	(71,721)	2,121,411	1,776,342	345,069	2,121,411	345,069
<b><u>Dental Services</u></b>								
Revenue:								
Fees, Reimbursements & Other Income	54,982	75,345	(20,364)	659,779	802,142	(142,363)	659,779	(142,363)
Total Revenue	54,982	75,345	(20,364)	659,779	802,142	(142,363)	659,779	(142,363)
Expenditures:								
Salaries and Benefits	260,167	336,191	(76,024)	3,122,009	2,741,097	380,912	3,122,009	380,912
Supplies and Purchased Services	58,612	64,233	(5,621)	738,786	554,122	184,664	738,786	184,664
Total Expenditures	318,780	400,424	(81,645)	3,860,795	3,295,219	565,576	3,860,795	565,576

**HEALTH DISTRICT OF NORTHERN LARIMER COUNTY**  
**Statement of Program Revenues and Expenditures - Budget and Actual**  
**As of 12/31/2021**

	Current Month			Year to Date			Annual	Remaining
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Funds
<b><u>Integrated Care (MHSA/PC)</u></b>								
Revenue:								
Fees, Reimbursements & Other Income	51,319	38,484	12,835	205,275	195,369	9,906	205,275	9,906
Total Revenue	51,319	38,484	12,835	205,275	195,369	9,906	205,275	9,906
Expenditures:								
Salaries and Benefits	90,153	114,411	(24,258)	1,081,834	935,045	146,789	1,081,834	146,789
Supplies and Purchased Services	11,168	10,956	212	137,957	83,850	54,107	137,957	54,107
Total Expenditures	101,321	125,367	(24,046)	1,219,791	1,018,895	200,896	1,219,791	200,896
<b><u>Community Impact</u></b>								
Revenue:								
Fees, Reimbursements & Other Income	0	0	0	0	0	0	0	0
Total Revenue	0	0	0	0	0	0	0	0
Expenditures:								
Salaries and Benefits	51,732	46,278	5,455	620,789	476,176	144,613	620,789	144,613
Supplies and Purchased Services	7,343	10,677	(3,334)	92,791	46,339	46,452	92,791	46,452
Total Expenditures	59,075	56,955	2,121	713,580	522,514	191,066	713,580	191,066
<b><u>Program Assessment &amp; Evaluation</u></b>								
Revenue:								
Fees, Reimbursements & Other Income	0	0	0	0	0	0	0	0
Total Revenue	0	0	0	0	0	0	0	0
Expenditures:								
Salaries and Benefits	18,778	27,019	(8,242)	225,333	216,939	8,394	225,333	8,394
Supplies and Purchased Services	3,177	3,970	(793)	39,861	24,314	15,547	39,861	15,547
Total Expenditures	21,955	30,990	(9,035)	265,194	241,253	23,941	265,194	23,941
<b><u>Health Promotion</u></b>								
Revenue:								
Fees, Reimbursements & Other Income	700	180	520	8,402	1,338	7,064	8,402	7,064
Total Revenue	700	180	520	8,402	1,338	7,064	8,402	7,064
Expenditures:								
Salaries and Benefits	57,328	78,035	(20,707)	687,936	646,643	41,293	687,936	41,293
Supplies and Purchased Services	14,447	17,319	(2,872)	177,222	111,466	65,756	177,222	65,756
Total Expenditures	71,775	95,354	(23,579)	865,158	758,109	107,049	865,158	107,049

HEALTH DISTRICT OF NORTHERN LARIMER COUNTY  
Statement of Program Revenues and Expenditures - Budget and Actual  
As of 12/31/2021

	Current Month			Year to Date			Annual	Remaining
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Funds
<b>Health Care Access</b>								
Revenue:								
Fees, Reimbursements & Other Income	0	0	0	0	0	0	0	0
Total Revenue	0	0	0	0	0	0	0	0
Expenditures:								
Salaries and Benefits	81,971	105,134	(23,163)	983,647	883,116	100,531	983,647	100,531
Supplies and Purchased Services	25,283	3,277	22,006	229,195	111,493	117,702	229,195	117,702
Total Expenditures	107,254	108,411	(1,157)	1,212,842	994,609	218,233	1,212,842	218,233
<b>Resource Development</b>								
Revenue:								
Fees, Reimbursements & Other Income	0	0	0	0	0	0	0	0
Total Revenue	0	0	0	0	0	0	0	0
Expenditures:								
Salaries and Benefits	13,946	20,965	(7,019)	167,352	165,703	1,649	167,352	1,649
Supplies and Purchased Services	2,159	1,531	628	25,910	12,290	13,620	25,910	13,620
Total Expenditures	16,105	22,496	(6,391)	193,262	177,993	15,269	193,262	15,269
<b>Mulberry Offices</b>								
Revenue:								
Fees, Reimbursements & Other Income	13,335	10,720	2,615	160,016	159,985	31	160,016	31
Total Revenue	13,335	10,720	2,615	160,016	159,985	31	160,016	31
Expenditures:								
Salaries and Benefits	0	0	0	0	0	0	0	0
Supplies and Purchased Services	15,961	20,704	(4,743)	191,529	104,289	87,240	191,529	87,240
Total Revenue	15,961	20,704	(4,743)	191,529	104,289	87,240	191,529	87,240

## Health District of Northern Larimer County

### Investment Schedule December 2021

Investment	Institution	Current Value	%	Current Yield	Maturity
Local Government Investment Pool	COLOTRUST	\$ 1,383	0.024%	0.02%	N/A
Local Government Investment Pool	COLOTRUST	\$ 4,235,117	73.672%	0.05%	N/A
Flex Savings Account	First National Bank	\$ 238,527	4.149%	0.05%	N/A
Certificate of Deposit	Advantage Bank	\$ 142,351	2.476%	0.40%	12/27/2023
Certificate of Deposit	Advantage Bank	\$ 115,063	2.002%	0.25%	9/2/2022
Certificate of Deposit	Points West	\$ 115,931	2.017%	0.28%	6/12/2023
Certificate of Deposit	Points West	\$ 157,318	2.737%	1.00%	4/2/2022
Certificate of Deposit	Adams State Bank	\$ 241,929	4.209%	0.35%	10/7/2023
Certificate of Deposit	Cache Bank & Trust	\$ 250,000	4.349%	0.50%	1/9/2023
Certificate of Deposit	Farmers Bank	\$ 250,955	4.366%	0.65%	6/27/2022
Total/Weighted Average		<u>\$ 5,748,575</u>	<u>100.000%</u>	<u>0.15%</u>	

Notes:

The local government investment pool invests in U.S. Treasury securities, U.S. Government agency securities, certificate of deposits, commercial paper, money market funds and repurchase agreements backed by these same securities.