Health District
OF NORTHERN LARIMER COUNTY

Board of Directors Regular Meeting
AGENDA

Location:	120 Bristlecone Dr., Fort Collins, CO 80524 or Zoom
Date:	Thursday, May 22, 2025
Time:	5:30 PM

5:30 PM **I. Call to Order** — Molly Gutilla

a. Roll Call Board of Directors
b. Welcome Guests & Attendees
c. Conflict of Interest Statement
d. Approval of Agenda

5:35 PM **II. EXECUTIVE SESSION**

Executive session to consider personnel matters, pursuant to C.R.S. § 24-6-402(4)(f) and not involving: any specific employees who have requested discussion of the matter in open session; any member of this body or any elected official; the appointment of any person to fill an office of this body or of an elected official; or personnel policies that do not require the discussion of matters personal to particular employees; and to hold a conference with the District's general counsel to receive legal advice on specific legal questions, pursuant to C.R.S. § 24-6-402(4)(b); all regarding the Executive Director.
a. Action on Executive Session

6:05 PM **III. Presentations**

a. Board Roles & Responsibilities, Duties of Care in Health Care Quality and Regulatory Compliance — Nick Healey & Ragini Acharya
b. Health District Brand — Marisa Dylan

6:35 PM **IV. Public Comment**

Note: If you choose to comment, please follow the "Guidelines for Public Comment" provided at the end of the agenda.

7:05 PM	**V. Consent Agenda**	Molly Gutilla
	a. April 24, 2025 - Regular Meeting Minutes	
	b. April 2025 Financial Statements	
7:10 PM	**VI. Action Items**	
	a. 2024 Annual Financial Audit	Alyson Slife CliftonLarsonAllen
7:50 PM	**VII. Reports and Discussions**	
	a. Juneteenth Day of Service	Hannah Groves
	b. 2025 Board of Directors Election	Jessica Shannon
	c. Liaison to PVHS/UCHealth North Report	John McKay
	d. Board Committee Updates	Committee Members
	• Public Policy Committee Update	
	• Executive Committee Update	
	e. Executive Director Staff Report	Liane Jollon
	f. Board of Directors Reports	Board of Directors
8:20 PM	**VIII. New Business Action Items**	
	a. Administer Board Members Oath of Office	Katie Wheeler
	b. Board Officer Elections	Board of Directors
	c. 2025 Board of Directors Orientation/Strategic Planning/ Strategic Budgeting Timeline	Liane Jollon
8:55 PM	**IX. Announcements**	Board President
	a. Health District Board of Director Orientation - June 25, 2025 Draft Orientation Materials	
	b. June 26, 2025 - Regular Board Meeting	
9:00 PM	**X. Adjourn**	

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

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.' Public Comment is an opportunity for people to express your views and therefore the Board of Directors generally does not engage in back-and-forth discussion or respond to questions.

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. Please spell your name for the record and let us know if you reside in the District.
- Tell us whether you are addressing an agenda item, or another topic.
- Please know that you will have up to 5 minutes to present public comment. However, the time allotted for public comment may be limited, so the Chair may need to shorten the time limit as necessary to give each commenter a chance to speak.
- Please address your comments to the Board of Directors, rather than individuals.

Health District
OF NORTHERN LARIMER COUNTY

Board of Directors Regular Meeting
MINUTES

Location:	*120 Bristlecone Dr., Fort Collins, CO 80524 or Zoom*
Date:	*Thursday, April 24, 2025*
Time:	*5:30 PM*

Board Members Present:

Molly Gutilla, MS DrPH, Board President
Julie Kunce Field, JD, Board Vice President
Joseph Prows, MD MPH, Treasurer
Erin Hottenstein, Assistant Treasurer

Also Present:

Nicholas A. Hartman, Partner - Hoffman, Parker,

I. Call to Order

a. Roll Call Board of Directors
- Director John McKay – Not Present/Excused Absence
- With a quorum present, Board President Molly Gutilla called the meeting to order at 5:33 p.m.

b. Welcome Guests & Attendees

c. Conflict of Interest Statement
- None stated

d. Approval of Agenda

Motion: To approve the April 24, 2025 meeting agenda, as presented.
Moved by Julie Kunce Field; seconded by Joeseph Prows; passed unanimously.

II. Presentations

a. Leading Change Management for Program Delivery and Partnerships

Marsha Johnson, LCSW from Health Management Associates presented on "Leading Change Management for Partnerships". She highlighted the Board's strategic shift toward community partnerships as a transformational change requiring shared leadership between the Board of Directors and operational leaders. She explained how the 2025 budget decision to invest in community organizations represents a fundamental shift across four domains: organizational identity, system relationship, (from adjunctive to integrative), operational processes (internal to externally aligned), and community engagement (transactional to transformational).

Johnson outlined implementation requirements including investments in people, processes, and technology while acknowledging challenges such as resistance to change and impact to retention.

She recommended using Adaptive Leadership and Appreciative Inquiry methodologies to navigate this transformation, emphasizing the Board's critical role in maintaining vision, supporting leadership, ensuring clear communication, demonstrating active engagement, and balancing accountability with adaptability as the organization implements its 2025 partnership plans.

Director Erin Hottenstein asked about successful verses unsuccessful systems. Johnson said unsuccessful ones often duplicate efforts due to unclear roles, while successful systems require agreement, collaboration, and coordination.

Director Hottenstein inquired about how to assess or evaluate the Health District as being an adjunctive player. Johnson shared that it's important to examine alignment with ecosystem standards, especially documentation and information sharing. Misalignment can occur between internal systems and the larger ecosystem. She emphasized the need to show value of investments both internally and externally through data. In response to Director Hottenstein's question about alignment with partners, Johnson shared that it depends on the scope and parameters, and suggested the Health District could offer expertise or infrastructure support where partners do not have the capacity. Barriers to whole person care often arise from cultural, communication, and tech differences.

b. Poudre School District, SummitStone Health Partners and CAYAC Partnership
Liz Davis (PSD), Shawnie Wilde (SummitStone), Kate Matus (HD), Jessica Shannon (HD)

Representatives from Poudre School Health District (PSD), SummitStone Health Partners, and the Health District's CAYAC program presented on a newly piloted collaborative behavioral health referral system supporting timely and more equitable access to care for PSD youth and families.

The collaboration developed trust and service knowledge across partners, defined partnership structure, assessed technological referral solutions, developed workflows for a cross-agency care coordination team to support referrals, and piloted the new collaborative system in March. The new referral system and supporting multi-agency care coordination team has centralized behavioral health referrals for PSD schools, providing data and insights into the needs of youth.

The presenters emphasized that building impactful partnerships required time and intentional relationships and structure building efforts. The result of the partnership is a more equitable system that can respond to the evolving service needs of youth and service capacity within the community's ecosystem of behavioral health services. Board members from the Health District Board of Directors, Julie Kunce Field, Erin Hottenstein, and Poudre School District Board member, Carolyn Reed, expressed appreciation for the collaborative effort to support the behavioral health needs of youth and families.

III. Public Comment

a. Usha Udupa, district resident, commented on the Child, Adolescent, and Young Adult Connections (CAYAC) program.
b. Lee Thielen, district resident, commented on the Health District website and staff retention.
c. Emma Richardson, commented on the strategic plan and direction of the organization.

IV. Consent Agenda

a. February 27, 2025 - Regular Meeting Minutes

b. March 12, 2025 - Joint Board Meeting with UCHealth North Poudre Valley Health System Meeting Minutes
c. Practice Transformation and Partnerships Contract
d. Board Public Policy Committee Position Ratification

Motion: Motion to approve the consent agenda as presented.
Moved by Erin Hottenstein; seconded by Julie Kunce Field; passed unanimously.

V. Action Items

a. Q1 2025 Monthly Financial Statements and Reporting

Motion: To accept the Q1 2025 Financial Statements as presented.
Moved by Joseph Prows; seconded by Erin Hottenstein; passed unanimously.

Director Julie Kunce Field requested examples of improved internal financial processes. Executive Director Jollon highlighted financial control enhancements, specifically ensuring separation of duties between staff who balance accounts and those issuing payments. It was additionally noted that prior issues related to former staff with signatory authorities on bank accounts was resolved earlier in 2024.

Director Joseph Prows inquired about the organization's previous 3,400 financial account codes. Executive Director Jollon explained that account codes were streamlined in order to enable more effective financial tracking and performance by program or service, grants, and revenue sources, as well as prepare for the implementation of the new financial management platform.

b. Contract for Comprehensive Analysis of Clinical Practices, Legal Practices and Risk Management Services

Motion: General approval of the Open Minds Contract.
Moved by Joseph Prows; seconded by Julie Kunce Field; passed unanimously.

Director Erin Hottenstein inquired about the expected outcomes from the organization's historical and current analysis. Health Services Director Dana Turner responded that we are conducting a comprehensive assessment of the current position and strategic direction with the aim of identifying opportunities to align with industry best practices, enhance team support and also identify areas of need, and prior risk.

Vl. Reports and Discussions

a. Health District Branding

Marisa Dylan, Senior Communications Manager, presented on the organization’s branding strategy, emphasizing development of a cohesive, recognizable brand that extends beyond health services, strengthens community connections, and communicates comprehensive whole-person care. She outlined 2025 digital plans including best practice website development.

Director Erin Hottenstein inquired about sub-branding. Dylan explained that eliminating separate websites and unique branding for programs like Larimer Health Connect would strengthen the new brand by reducing confusion and communicating the Health District as a unified resource with "one front door" for accessing its various services.

b. 2025 Board of Directors Election Update

Jessica Shannon, Quality Improvement Projects Manager, gave an update on the status of the May 6th Board of Directors Election, noting that it was team effort by acknowledging the contributions of the many staff providing support. She reported that ballots were mailed to permanent mail-in voters on April 4th. She also highlighted the cross-team effort in developing ballot processing procedures and communications efforts, including a postcard mailing to 8,600 Health District households and a "vote vintage" social media campaign promoting in-person voting on election day.

c. Board of Directors Reports

- Molly Gutilla:
  - Supporting information sharing and questions around the Board of Directors Election.
- Julie Kunce Field:
  - Attended the Rotary Club of Fort Collins Breakfast Club meeting and the Quota Club of Northern Colorado meeting and answered questions about the Health District's mission.
- Erin Hottenstein:
  - Attended Fort Collins Chamber of Commerce meeting and fielded election questions.
- Joseph Prows: No report

d. Liaison to PVHS/UCHealth North Report

- No Report

e. Board Committee Updates

- Public Policy Committee Update
  No report
- Executive Committee Update
  No report

f. Executive Director Staff Report

Executive Director Liane Jollon highlighted key items from the written Executive Director report and department updates within the board meeting packet, emphasizing several organizational strategic plan priorities including increased focus and meetings supporting external partnerships, planning for comprehensive board orientation, and training, and progress on the integrated client campus planning.

Executive Director Jollon reported a productive meeting with Connect for Health Colorado's CEO who visited Larimer Health Connect's new office at the 120 Bristlecone campus. She noted that during the visit they discussed the value of an integrated model for the Larimer Health Connect program in providing unique access to community members as part of a larger ecosystem of programs and services.

Executive Director Jollon shared the need to evaluate and update program fee structures with the suggestion that this effort be aligned in the future with the budgeting process. Director Jollon acknowledged that this will require considerable internal effort as it has been unaddressed for some time.

Regarding compensation, she reported that the 2025 budget included 2% increases for program-level staff, individual contributors, and technical staff - while leadership team, and cross-functional

management, and provider compensation remained steady. Executive Director Jollon indicated plans to revisit compensation with the board during summer, noting that most community organizations were implementing minimal percentage increases (0-2%) in 2025, with many large employers offering no increases – which led the Health District decision to prioritize compensation increases for lower-paid positions.

VII. Announcements

a. May 6, 2025 - Board Election
b. May 22, 2025 - Regular Board Meeting

VIII. Adjourn

Motion: To Adjourn the meeting.
Moved by Molly Gutilla; seconded by Joseph Prows; meeting adjourned at 8:01 p.m.

Health District
OF NORTHERN LARIMER COUNTY

AGENDA DOCUMENTATION

Meeting Date: May 22, 2025

SUBJECT: *April 2025 Financial Statements*

PRESENTER: Misty Manchester

OUTCOME REQUESTED: _____ **Decision** __**X**__**Consent** _____**Report**

PURPOSE/ BACKGROUND

In order to monitor financial performance as a component of fulfilling the Board of Director's fiduciary responsibilities please review and provide feedback on the newly formatted reports.

Attachment(s):

- Financial Reporting Package for the four months ended April 30, 2025

FISCAL IMPACT

None

STAFF RECOMMENDATION

Accept the financial statements as presented.

Health District

OF NORTHERN LARIMER COUNTY

Financial Reporting Package

FOR THE FOUR MONTHS ENDED APRIL 30, 2025

Jessica Holmes, YPTC

COMPLETED ON | MAY 20, 2025

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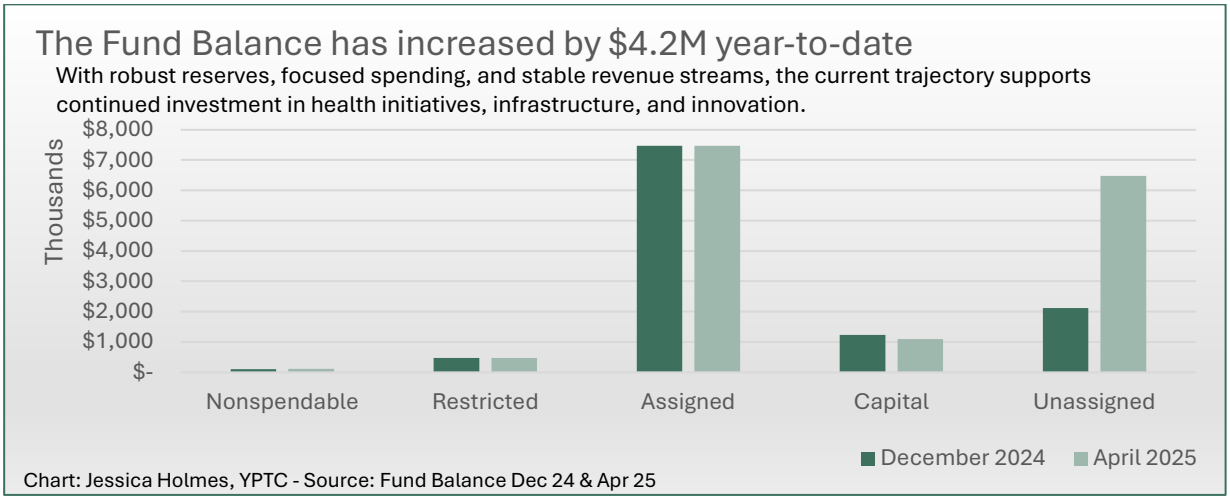
MANAGEMENT'S DISCUSSION & ANALYSIS

HIGHLIGHTS

For the first four months of 2025, the Health District of Northern Larimer County reported a strong financial performance, with revenues significantly outpacing expenditures, resulting in a notable increase in fund balance of $4.2M. This increase was driven by timely tax collections and controlled expenditures. To date, the District has utilized 29% of its annual expenditure budget and collected 57% of its revenue budget.

Overall, the Health District is in an excellent financial position to respond to community health needs and invest in strategic initiatives, while maintaining financial resilience.



GOVERNMENTAL FUND FINANCIAL STATEMENTS

The Governmental Fund Financial Statements are prepared using the modified accrual method of accounting as required under GAAP and GASB for governmental fund entity types.

BALANCE SHEETS – GOVERNMENTAL FUND

- **Assets:** Total assets decreased by $3M, primarily due to a seasonal reduction in property tax receivables. Property tax receivables have decreased by $4.8M as a reflection of the collection of taxes earlier in the year, which is a typical pattern for government entities. Despite the overall decline in assets, cash and investments increased by $1.4M, indicating healthy cash flow and prudent fiscal management.
- **Liabilities:** Total liabilities decreased by $172K, driven by reductions in accounts payable and unearned revenue, which is representative of timely payment of obligations and recognition of grant revenues.
- **Deferred Inflows:** Deferred inflows of resources dropped by $7M, due to the recognition of property tax revenues that were previously deferred. This aligns with the decrease in property tax receivables and reflects the transition of these amounts into recognized revenue.
- **Fund Balance:** The fund balance saw a substantial increase of $4.2M year-to-date, rising from $11.4M to $15.7M. Unassigned funds have increased by $4.4M, enhancing the District's financial

flexibility. The increase in nonspendable funds (prepaid expenses) and decrease in capital funds are indicative of ongoing operational investments.

- **Key Takeaway:** The Health District is in a fiscally sound position as of April 2025. The Increase in cash reserves and unassigned fund balance provides a durable foundation for future operations, while the reduction in liabilities and deferred inflows reflects effective financial stewardship. The District appears well-positioned to meet its service commitments and respond to emerging needs.

STATEMENTS OF REVENUES, EXPENDITURES, & CHANGES IN FUND BALANCE

- **Revenues:** Total year-to-date revenues amounted to $8.5M. The largest contributing sources of this revenue were Tax Revenues ($7.2M, 85% of total revenue), Service Revenues ($438K), and Lease Revenues ($462K). Collective revenues were on target with the 2025 budget, exceeding by only $62K, however there were variances within specific categories.
    - **Tax Revenues:** 64% of taxes levied for the year have already been collected, leaving $4.1M to be received. This is the typical trend for tax collections.
    - **Service Revenues:** $438K of revenues from client services indicate a steady demand for health services. Service revenues were below budget by 10% due to the timing of billing Medicaid for Behavioral Health Services.
    - **Lease Revenues:** contribute a consistent stream of income, $462k year-to-date. Lease income was ahead of budget by 19% due to a conservative budgeting approach for leased property.
    - **Grant Funds:** provided $186k of funding to support programmatic operations. The recognition of these funds is ahead of budget by 27% due to additional grant awards that were not solidified at the time of the budget creation.
    - **Other Revenues:** comprised mostly of investment interest, $178k has been received for the year so far. This amount is ahead of budget by 51% as this category was budgeted with an intentionally conservative approach due to the uncertainty of the country's economy.
- **Expenditures:** Total expenditures through April were $4.3M, which was lower than budgeted expenses by $669K.
    - **Personnel Compensation:** accounted for $2.9M (68% of total expenses) of expenditures, underscoring the labor-intensive nature of health services. This category was under budget by 19% due to vacant positions, hiring is currently in progress.
    - **Professional Development:** is under budget by 44% due to the timing of scheduled training and conferences.
    - **Supplies, Equipment, & Software:** are over budget by $87k, 63%, due to investments in infrastructure (capital expenditures).
    - **Occupancy Expenses:** are overbudget by almost 15% due to seasonal utility trends and the timing of repairs and maintenance.
- **Change in Fund Balance:** The District achieved a net surplus of $4.2M, reflective of both strong revenue collection and disciplined spending patterns. The change in fund balance is ahead of the 2025 budget by $731K as of the end of April.
- **Key Takeaway:** The Health District is performing with financial efficiency, meeting revenue goals while also spending responsibly has allowed the District to operate at a surplus while maintaining service delivery.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Government-Wide Financial Statements are prepared using the full accrual basis of accounting to provide the organization's long-term financial view.

STATEMENTS OF NET POSITION

- Like the Balance Sheets discussed previously, the Statements of Net Position provide the details of the District's assets and liabilities.
- Key differences: this statement includes capital assets, long-term liabilities, and compensated absences, which are excluded from the Governmental Fund Financial Statements.

STATEMENTS OF ACTIVITIES

- Like the Statements of Revenues, Expenditures, and Changes in Fund Balance, the Statements of Activities provide details of the District's revenues and expenditures.
- Key differences: as this statement uses the accrual method rather than modified accrual, capital purchases are not fully expended at the time of purchase. Instead, they are expensed over the life of the asset through depreciation and amortization.

SUPPLEMENTAL INFORMATION

STATEMENT OF FUNCTIONAL EXPENSES

- **Program Operations:** combining both client and community focused functions, total program operations have accounted for $3.1M, or 73%, of the Health District's total expenditures year-to-date.
    - **Client Experience:** The client experience function includes the revenue and expense activities of Oral Health, Behavioral Health, and Access to Care services. This function accounts for 53% of the District's expenses.
    - **Strategy & Impact:** This category is representative of community-based functions, such as Integrated Care, Partnerships, Health Promotion, Community Impact, Health Equity, and Assessment & Evaluation. Community-based programs account for 20% of overall expenses.
    - **Note:** The impact deficits within Program Operations are typical for public health organizations, which rely on the tax funding recorded under General.
- **General & Administration**: inclusive of all general and administrative functions (including Board and Leased Properties), General & Administration accounts for 27% of the District's expenses.
- **Key Takeaway**: The current Program Expense Ratio for the Health District is 73%, which means that 73% of total expenses were incurred directly on program services. The industry benchmark for this ratio is 65% to 75%, placing the District well within the recommended range.

NOTES TO THE FINANCIAL STATEMENTS

- Please review the Notes to the Financial Statements for required reconciliations between governmental fund financial statements and government-wide financial statements (GASB Statement No. 34).

Health District of Northern Larimer County

Balance Sheets

Governmental Fund Financial Statements

As of April 30,2025

	December 2024	April 2025	YTD Change
ASSETS			
Cash & Investments	11,994,048	13,419,226	1,425,178
Receivables			
Property Taxes	10,775,197	6,019,519	(4,755,678)
Specific Ownership Taxes	61,277	58,536	(2,741)
Clients, Net of Allowance	394,549	413,666	19,117
Leases	59,299,350	59,647,135	347,785
Grants & Other	73,933	41,012	(32,921)
Prepaid Expenses	94,867	106,370	11,502
TOTAL ASSETS	**82,693,221**	**79,705,463**	**(2,987,758)**
LIABILITIES, DEFERRED INFLOWS, & FUND BALANCE			
LIABILITIES			
Accounts Payable	228,461	130,878	(97,583)
Accrued Liabilities			
Payroll Liabilities	354,387	350,767	(3,620)
Treasurer Fees	(30)	44,989	45,020
Property Tax Escrow	40,539	13,907	(26,632)
Tenant Deposits	16,373	13,309	(3,064)
Unearned Revenue	168,765	82,945	(85,820)
TOTAL LIABILITIES	**808,494**	**636,795**	**(171,699)**
DEFERRED INFLOWS			
Property Tax Resources	10,776,854	3,770,366	(7,006,488)
Lease Resources	59,299,314	59,257,279	(42,035)
Service Resources	418,494	418,494	-
TOTAL DEFERRED INFLOWS	**70,494,662**	**63,446,139**	**(7,048,523)**
FUND BALANCE			
Nonspendable Funds - Prepaid Expenses	94,867	106,370	11,502
Restricted Funds - TABOR Reserve	470,801	470,801	-
Assigned Funds	7,472,610	7,472,610	-
Capital Funds	1,232,874	1,091,316	(141,558)
Unassigned Funds	2,118,912	6,481,432	4,362,520
TOTAL FUND BALANCE	**11,390,064**	**15,622,529**	**4,232,465**
TOTAL LIABILITIES, DEFERRED INFLOWS, & FUND BALANCE	**82,693,221**	**79,705,463**	**(2,987,758)**

*The financial statements presented herein are prepared using the **modified accrual** basis of accounting as required for governmental fund types under GAAP & GASB.*

Unaudited - For Management Use Only

Health District of Northern Larimer County

Statements of Revenues, Expenditures, & Changes in Fund Balance

Governmental Fund Financial Statements

For the Four Months Ended April 30,2025

	Q1 2025	April 2025	YTD 2025
REVENUES			
Tax Revenues	4,913,163	2,327,580	7,240,743
Service Revenues, Net	350,765	87,080	437,845
Lease Revenues	345,953	116,298	462,251
Grant Funds	145,142	41,205	186,346
Other Revenues	122,417	55,511	177,927
TOTAL REVENUES	**5,877,440**	**2,627,674**	**8,505,113**
EXPENDITURES			
Personnel Compensation	2,173,256	718,880	2,892,136
Professional Development	55,049	11,697	66,747
Contracted Services	370,700	118,086	488,786
Service Expenses	137,151	39,448	176,599
Supplies, Equipment, & Software	70,910	14,214	85,125
Occupancy Expenses	153,129	31,172	184,300
Other Operating Expenses	137,627	99,772	237,399
Capital Expenditures	118,409	23,149	141,558
TOTAL EXPENDITURES	**3,216,231**	**1,056,417**	**4,272,648**
EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES	**2,661,209**	**1,571,256**	**4,232,465**
CHANGE IN FUND BALANCE	2,661,209	1,571,256	4,232,465
Beginning Fund Balance	11,390,064	14,051,273	11,390,064
ENDING FUND BALANCE	**14,051,273**	**15,622,529**	**15,622,529**

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Unaudited - For Management Use Only

Health District of Northern Larimer County

Budget Comparison: Statement of Revenues, Expenditures, & Changes in Fund Balance

Governmental Fund Financial Statements

For the Four Months Ended April 30,2025

	YTD Budget	YTD Actual	$ Difference	% Difference	2025 Budget	Budget $ Remain	Budget % Remain
REVENUES							
Tax Revenues	7,301,985	7,240,743	(61,242)	-0.84%	11,361,432	4,120,689	36.27%
Service Revenues, Net	487,583	437,845	(49,738)	-10.20%	1,462,750	1,024,905	70.07%
Lease Revenues	389,763	462,251	72,488	18.60%	1,304,044	841,793	64.55%
Grant Funds	146,183	186,346	40,164	27.48%	394,048	207,702	52.71%
Other Revenues	117,655	177,927	60,273	51.23%	352,964	175,037	49.59%
TOTAL REVENUES	**8,443,168**	**8,505,113**	**61,945**	**0.73%**	**14,875,238**	**6,370,125**	**42.82%**
EXPENDITURES							
Personnel Compensation	3,584,707	2,892,136	692,571	19.32%	10,435,115	7,542,979	72.28%
Professional Development	119,207	66,747	52,461	44.01%	345,893	279,146	80.70%
Contracted Services	491,958	488,786	3,172	0.64%	1,444,600	955,814	66.16%
Service Expenses	190,210	176,599	13,611	7.16%	1,340,129	1,163,530	86.82%
Supplies, Equipment, & Software	139,412	226,682	(87,270)	-62.60%	413,113	186,431	45.13%
Occupancy Expenses	160,832	184,300	(23,468)	-14.59%	469,461	285,161	60.74%
Other Operating Expenses	254,933	237,399	17,535	6.88%	496,902	259,503	52.22%
TOTAL EXPENDITURES	**4,941,258**	**4,272,648**	**668,610**	**13.53%**	**14,945,213**	**10,672,565**	**71.41%**
CHANGE IN FUND BALANCE	3,501,910	4,232,465	**730,555**	**20.86%**	(69,975)		
Beginning Fund Balance	11,390,064	11,390,064			11,390,064		
ENDING FUND BALANCE	**14,891,974**	**15,622,529**			**11,320,089**		

*The financial statements presented herein are prepared using the **modified accrual** basis of accounting as required for governmental fund types under GAAP & GASB.*

Unaudited - For Management Use Only

Health District of Northern Larimer County

Statements of Net Position

Government-Wide Financial Statements

As of April 30,2025

	December 2024	April 2025	YTD Change
ASSETS			
CURRENT ASSETS			
Cash & Investments	11,994,048	13,419,226	1,425,178
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Specific Ownership Taxes	61,277	58,536	(2,741)
Clients, Net of Allowance	394,549	413,666	19,117
Grants & Other	73,933	41,012	(32,921)
Prepaid Expenses	94,867	106,370	11,502
TOTAL CURRENT ASSETS	**23,393,871**	**20,058,328**	**(3,335,543)**
NON-CURRENT ASSETS			
Leases Receivable	59,299,350	59,647,135	347,785
Capital Assets			
Capital Assets, Net	9,737,338	9,691,974	(45,364)
Right to Use Assets, Net	179,966	151,341	(28,625)
Software in Development	18,721	105,502	86,781
TOTAL NON-CURRENT ASSETS	**69,235,375**	**69,595,952**	**360,577**
TOTAL ASSETS	**92,629,246**	**89,654,280**	**(2,974,965)**
LIABILITIES AND NET POSITION			
LIABILITIES			
Accounts Payable	228,461	130,878	(97,583)
Accrued Liabilities			
Payroll Liabilities	354,387	350,767	(3,620)
Treasurer Fees	(30)	44,989	45,020
Property Tax Escrow	40,539	13,907	(26,632)
Tenant Deposits	16,373	13,309	(3,064)
Unearned Revenue	168,765	82,945	(85,820)
Right to Use Liability (SBITAs)	117,534	117,534	-
Compensated Absences	317,233	317,233	-
Deferred Inflows			
Property Tax Resources	10,776,854	3,770,366	(7,006,488)
Lease Resources	59,299,314	59,257,279	(42,035)
TOTAL LIABILITIES	**71,319,429**	**64,099,206**	**(7,220,223)**
NET POSITION			
Beginning Net Position	17,510,830	21,309,817	3,798,987
Change in Net Position	3,798,987	4,245,257	446,270
TOTAL NET POSITION	**21,309,817**	**25,555,074**	**4,245,257**
TOTAL LIABILITIES AND NET POSITION	**92,629,246**	**89,654,280**	**(2,974,965)**

*The financial statements presented herein are prepared using the **accrual** basis of accounting to provide a long-term financial view.*

Health District of Northern Larimer County

Statements of Activities

Government-Wide Financial Statements

For the Four Months Ended April 30,2025

	Q1 2025	April 2025	YTD 2025
REVENUES			
Tax Revenues	4,913,163	2,327,580	7,240,743
Service Revenues, Net	350,765	87,080	437,845
Lease Revenues	345,953	116,298	462,251
Grant Funds	145,142	41,205	186,346
Other Revenues	122,417	55,511	177,927
TOTAL REVENUES	**5,877,440**	**2,627,674**	**8,505,113**
EXPENDITURES			
Personnel Compensation	2,173,256	718,880	2,892,136
Professional Development	55,049	11,697	66,747
Contracted Services	370,700	118,086	488,786
Service Expenses	137,151	39,448	176,599
Supplies, Equipment, & Software	70,910	14,214	85,125
Occupancy Expenses	153,129	31,172	184,300
Other Operating Expenses	137,627	99,772	237,399
Depreciation & Amortization	98,034	30,732	128,765
TOTAL EXPENDITURES	**3,195,856**	**1,064,000**	**4,259,856**
CHANGE IN NET POSITION	**2,681,584**	**1,563,673**	**4,245,257**
Beginning Net Position	21,309,817	23,991,401	21,309,817
ENDING NET POSITION	**23,991,401**	**25,555,074**	**25,555,074**

*The financial statements presented herein are prepared using the **accrual** basis of accounting to provide a long-term financial view.*

Unaudited - For Management Use Only

Health District of Northern Larimer County

Statement of Functional Expenses

Supplemental Financial Statement

For the Four Months Ended April 30,2025

	Client Experience	Strategy & Impact	Total Program Operations	General & Administration	Health District
REVENUES					
Tax Revenues	-	-	-	7,240,743	7,240,743
Service Revenues, Net	408,181	29,664	437,845	-	437,845
Lease Revenues	-	-	-	462,251	462,251
Grant Funds	183,846	2,500	186,346	-	186,346
Other Revenues	2,857	-	2,857	175,071	177,927
TOTAL REVENUES	**594,884**	**32,164**	**627,048**	**7,878,065**	**8,505,113**
EXPENDITURES					
Personnel Compensation	1,544,217	655,391	2,199,608	692,527	2,892,136
Professional Development	38,548	13,133	51,681	15,066	66,747
Contracted Services	259,452	95,684	355,136	133,650	488,786
Service Expenses	159,418	6,254	165,673	10,926	176,599
Supplies, Equipment, & Software	132,657	40,311	172,968	53,714	226,682
Occupancy Expenses	81,953	47,928	129,881	54,419	184,300
Other Operating Expenses	20,180	4,195	24,375	213,024	237,399
TOTAL EXPENDITURES	**2,236,426**	**862,896**	**3,099,322**	**1,173,326**	**4,272,648**
IMPACT TO FUND BALANCE	(1,641,541)	(830,732)	(2,472,274)	6,704,738	4,232,465
					11,390,064
					15,622,529

Unaudited - For Management Use Only

Health District of Northern Larimer County

Notes to the Financial Statements

As of April 30,2025

1 Governmental Fund Financial Statements

- As outlined in Governmental Accounting Standards Board (GASB) Statement No. 34, fund financial statements represent a fundamental element of the financial reporting framework for state and local governments. These statements are presented using the modified accrual basis of accounting, which emphasizes current financial resources.
- Statements Included: Balance Sheets; Statements of Revenues, Expenditures, & Changes in Fund Balance; Budget Comparison: Statement of Revenues, Expenditures, & Changes in Fund Balance.

2 Government-Wide Financial Statements

- GASB Statement No. 34 also mandates the presentation of government-wide financial statements, which offer a comprehensive, long-term perspective on a government's overall financial position. These statements are prepared using the full accrual basis of accounting, reflecting all economic resources and obligations.
- Statements Included: Statements of Net Position; Statements of Activities.

3 Reconciliation: Balance Sheets to Statements of Net Position

	December 2024	April 2025	YTD Change
Total Governmental Fund Balance	11,390,064	15,622,529	4,232,465
Amounts included in Statements of Net Position but excluded from Governmental Activities:			
Capital Assets, Net	9,936,025	9,948,817	12,792
Unavailable Revenues	418,494	418,494	-
Long-Term Liabilities	(117,534)	(117,534)	-
Compensated Absences	(317,233)	(317,233)	-
Total Net Position	**21,309,817**	**25,555,074**	**4,245,257**

4 Reconciliation: Change in Fund Balance to Change in Net Position

	Q1 2025	April 2025	YTD 2025
Change in Fund Balance	2,661,209	1,571,256	4,232,465
Reconciling Items:			
Adjustments for Capital Outlay	118,409	23,149	141,558
Adjustments for Depreciation & Amortization	(98,034)	(30,732)	(128,765)
Adjustments for Long-Term Debt Transactions	-	-	-
Adjustments for Accruals	-	-	-
Change in Net Position	**2,681,584**	**1,563,673**	**4,245,257**

5 Governmental Fund Balance Classifications

	December 2024	April 2025	YTD Change
Nonspendable Funds (Prepaid Expenses)	94,867	106,370	11,502
Restricted Funds (TABOR)	470,801	470,801	-
Assigned Funds (Operating Reserve)	7,472,610	7,472,610	-
Capital Funds (Assigned to Capital Expenditures)	1,232,874	1,091,316	(141,558)
Unassigned Funds (Available for Appropriation)	2,118,912	6,481,432	4,362,520
Total Fund Balance	**11,390,064**	**15,622,529**	**4,232,465**

Health District
OF NORTHERN LARIMER COUNTY

AGENDA DOCUMENTATION

Meeting Date: May 22, 2025

SUBJECT: 2024 Annual Financial Audit

PRESENTER: CliftonLarsonAllen

OUTCOME REQUESTED: __x__ Decision ____Consent ____Report

PURPOSE/ BACKGROUND

In accordance with C.R.S. 29-1-606, each special district must have an audit performed annually. The audit report must be submitted to the Board of Directors by the auditor by June 30 and then filed with the State Auditor within 30 days after the report is received by the District.

Attachment(s):

- Independent Auditors' Report: 2024 Health Services District of Northern Larimer County Basic Financial Statements and Required Supplementary Information
- Governance Communication Letter and Management Letter
- Management Financial Systems Assessment

FISCAL IMPACT

None

STAFF RECOMMENDATION

To accept the 2024 Financial Audit as presented.

HEALTH SERVICES DISTRICT OF NORTHERN LARIMER COUNTY

BASIC FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2024

CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

HEALTH SERVICES DISTRICT OF NORTHERN LARIMER COUNTY
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YEAR ENDED DECEMBER 31, 2024

CliftonLarsonAllen LLP
CLAconnect.com

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, 2024, 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, 2024, 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.

Board of Directors
Health Services District of Northern Larimer County

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

CliftonLarsonAllen LLP

Broomfield, Colorado
April 30, 2025

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, 2024, 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 $21,309,817 an increase of $3,798,984 over the prior year.
- As of the close of the fiscal year, the Health District's governmental fund balance totaled $11,390,064 an increase of $3,368,286 over the prior year. Approximately 94% of this amount ($10,754,419) is available at the Health District's discretion (unassigned).
- Approximately $12.5 million of the revenues received in 2024 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.

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 $21,309,817 at the close of the most recent fiscal year.

Cash and investments represent 13% 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 11% of the Health District's total assets reflect investment in capital assets (e.g. land, buildings, medical equipment, dental equipment, subscription-based information technology arrangements (SBITA) 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 Health District reports a lease receivable as disclosed in Note 4. As of December 31, 2024, the lease receivable was $59,299,350 or 64% of total assets and is the main driver of the increase in current and other assets as listed in Table A-1.

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

	2024	2023	Dollar Change	Percent Change
Current and Other Assets	$ 82,693,221	$ 79,106,629	$ 3,586,592	4.53%
Capital Assets	9,936,025	9,904,834	31,191	0.31%
Total Assets	92,629,246	89,011,463	3,617,783	4.06%
Current Liabilities	808,495	869,986	(61,491)	-7.07%
Noncurrent Liabilities	434,766	415,779	18,987	4.57%
Total Liabilities	1,243,261	1,285,765	(42,504)	-3.31%
Deferred Inflows of Resources	70,076,168	70,214,865	(138,697)	-0.20%
Total Net Position	$ 21,309,817	$ 17,510,833	$ 3,798,984	21.70%

Net position consists of the following components:

	2024	2023	Dollar Change	Percent Change
Net Investment in Capital Assets	$ 9,818,491	$ 9,854,844	$ (36,353)	-0.37%
Restricted	470,801	383,596	87,205	22.73%
Unrestricted	11,020,525	7,272,393	3,748,132	51.54%

A portion of the Health District's net position of $470,801 represents resources that are subject to external restrictions (TABOR reserve). The balance of unrestricted net position of $11,020,525 may be used to meet the Health District's obligations to citizens and creditors.

The unassigned fund balance of $10,754,419 presented in the governmental fund balance sheet on page 14 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.

Table A-2
Condensed Statement of Activities

	2024	2023	Dollar Change	Percent Change
REVENUES				
Program Revenues:				
Net Charges for Services	$ 1,305,822	$ 1,088,043	$ 217,779	20.02%
Operating Grants and Contributions	1,453,739	486,121	967,618	199.05%
General Revenues:				
Property and Specific Ownership Tax	11,354,262	9,280,948	2,073,314	22.34%
Lease Revenue	1,546,332	1,526,116	20,216	1.32%
Other Revenue	652,037	496,252	155,785	31.39%
Total Revenues	16,312,192	12,877,480	3,434,712	26.67%
EXPENSES				
Dental Services	3,964,259	3,483,925	480,334	13.79%
Grants, Partnerships, and Special Projects	412,677	892,714	(480,037)	-53.77%
Connections: Mental Health/ Substance Use Issues Services	2,467,362	2,252,756	214,606	9.53%
MH/SA/Primary Care	1,141,253	1,127,528	13,725	1.22%
Healthcare Access	952,311	757,052	195,259	25.79%
General Government	1,807,143	1,174,854	632,289	53.82%
Health Promotion	596,629	707,537	(110,908)	-15.68%
Community Impact	810,475	470,607	339,868	72.22%
Assessment, Research, and Evaluation	314,851	261,751	53,100	20.29%
Resource Development	46,248	-	46,248	100.00%
Total Expenses	12,513,208	11,128,724	1,384,484	12.44%
CHANGE IN NET POSITION	3,798,984	1,748,756	2,050,228	
Net Position - Beginning of Year	17,510,833	15,762,077	1,748,756	11.09%
NET POSITION - END OF YEAR	$ 21,309,817	$ 17,510,833	$ 3,798,984	21.70%

The Health District's net position increased by $3,798,984 during the current fiscal year.

Revenues

Property and specific ownership taxes accounts for 71% 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 10% of the Health District's revenue and the remaining 19% comes from net program fees for services provided, grants, contributions, and investment income.

Significant changes in revenue include the following:

Property and specific ownership taxes increased 22% (2,073,314) over the previous year. Beginning in 2020 and going into the next few subsequent years, there were significant changes in Colorado's laws regarding property tax assessment rates while there were sharply increasing residential property values across the District. 2023 was the first property value re-assessment tax year after these changes. This resulted in a significant revenue increase for the calendar year 2024.

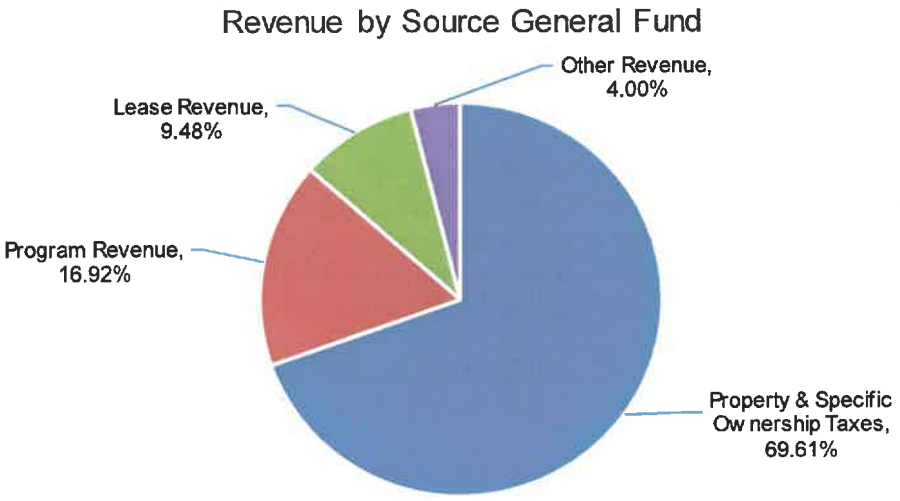
Investment earnings increased 44% (190,079) over the previous year due to higher interest rates and increased capital to invest.

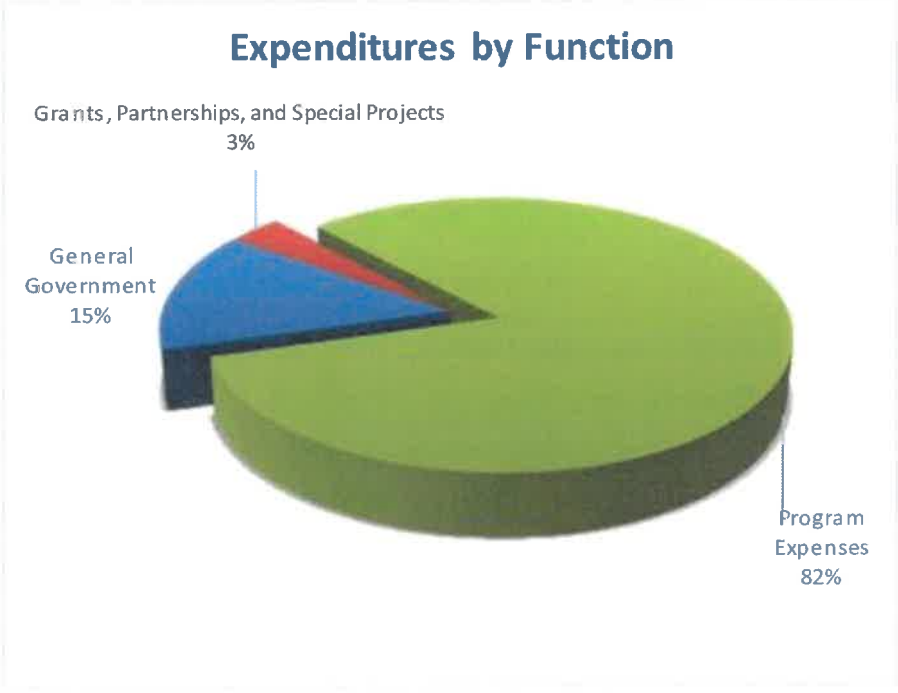
Grants and partnerships increased 199% (967,618) over the previous year due to state property tax backfill revenue.

Expenses

The Health District's direct expenditures were approximately 25% ($4,087,102) less than budgeted. Expenses were below budget in all categories and all programs with the most significant variances in personnel, contracted services, supplies, equipment, software and occupancy. A significant portion of the personnel variances derive from General and Administrative functions as the Health District took steps towards increased efficiencies in these areas in 2024. In addition, contracted services were overbudgeted by $1.8 million in 2024 due to both erroneous and/or unnecessary budgeting practices. These practices were adjusted in the 2025 budget. The 2024 budget also contained supply, equipment, software and capital expense contingencies that were not actually planned or scheduled for completion in 2024. A capital expenditure plan was developed in conjunction with the 2025 Budget to address this going forward. Health District program expenses realized a 10% ($1,085,515) net increase when compared to 2023.

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.





Budgetary Highlights

The Health District adopts annual Operations and Capital budgets outlining the estimated expenditures 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.

2024 was a financially positive year for the Health District. With about a $3.4 million increase in net position, the District has additional resources to withstand upcoming changes in Colorado's property tax laws, as well as embark on new initiatives that support the Board of Directors strategic direction.

The Health District's 2024 budget included 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 was included in the budget, even though many were not awarded or submitted. This budgeting practice led to significant budget-to-actual variances year to year and did not continue in 2025.

Revenue from investment earnings was greater than was budgeted. This increase was due to the increased interest earnings and increased capital during 2024.

A comparison of 2024 budget to actual revenue and expenditures can be found on page 33.

Capital Assets and Debt Administration

Capital Assets

As of December 31, 2024, the Health District's investment in capital assets totaled $9.9 million (net of accumulated depreciation and amortization). This investment in capital assets includes buildings, improvements, renovations, dental equipment, office equipment, subscription assets and computer software.

During 2024, $362,065 was expended on capital assets. These capital expenditures include equipment, construction in progress, and subscription assets. See Note 5.

Table A-3
Capital Assets
Net of Accumulated Depreciation and Amortization

	2024	2023
Land	$ 4,592,595	$ 4,592,595
Construction in Progress	18,721	-
Buildings and Building Improvements	4,811,589	5,010,044
Subscription Asset	179,966	57,632
Equipment	333,154	244,563
Net Capital Assets	$ 9,936,025	$ 9,904,834

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

The 2025 annual budget includes about $15 million in revenue and $15 million in expenses, down from 2024's budget of $16.4 million in revenue and $16.8 million in expenses.

The Health District's largest source of revenue is local property tax. 2024 saw an increase in property taxes collected in Northern Larimer County due to the following factors: beginning in the 1980s, a state constitutional amendment regulated increases in residential property taxes across the State of Colorado. This amendment was repealed by voters in 2020 while Colorado was experiencing sharp increases in residential property values. Together, these factors created potential for ongoing significant increases in residential property tax bills. These statewide and local changes led to several efforts including both ballot initiatives and legislative bills to stabilize residential property tax burden. The result of these multi-pronged efforts is that 2024 may be a high point in the Health District's property tax revenue for the foreseeable future, depending on property value growth rates in coming years,

In 2024, the Health District collected about $10.5 million in local property tax plus about $1 million in state backfill associated with a bill that was passed to provide relief to property taxpayers from the projected sharp increases. In 2025, the property tax revenue was projected to be slightly higher ($10.8 million), but the state backfill is being phased out or eliminated. If property valuations continue to increase at 2-3% a year and the Board of Directors maintains the current mill levy, property tax revenues at the District will decrease a few hundred thousand dollars year over year for the next five years, potentially leading to a full $2 million decrease in revenue by 2030. These projected decreases may be offset if property values increase more sharply or there is significant residential or commercial growth in the region over the next five years.

While Northern Colorado has historically experienced stronger economic growth than many other regions in Colorado in recent years, along with a strong housing market and steady population growth, there is current concern that economic forecasts, housing market trends, and costs of goods and services have become much less predictable. This may have a long-term impact on the financial health of the Health District. Additionally, larger economic instability or uncertainty can have an immediate impact on Specific Ownership Taxes (SOT), another source of revenue for the Health District. SOT is primarily collected on taxable value of vehicles meaning this revenue is very sensitive to a multitude of economic factors.

The Health District supplements local property tax revenue with government, foundation or government contracts or grants and fees for services. Due to current ongoing economic and policy uncertainties, these revenue sources may be less predictable and less stable in the near future.

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: Courney Green, Chief Administrative Office, Health District of Northern Larimer County 120 Bristlecone Drive, Fort Collins, CO 80524, lmai@healthdistrict.org.

HEALTH SERVICES DISTRICT OF NORTHERN LARIMER COUNTY
STATEMENT OF NET POSITION
DECEMBER 31, 2024

ASSETS

Cash and Investments	$ 11,994,048
Receivables:	
Patients, Net of Allowances of $78,976	394,549
Grants Receivable and Other	73,933
Property Taxes	10,775,197
Specific Ownership Taxes	61,277
Prepaid Items	94,867
Lease Receivable - Current	233,611
Lease Receivable - Noncurrent	59,065,739
Capital Assets Not Being Depreciated:	
Land	4,592,595
Construction in Progress	18,721
Capital Assets, Net of Accumulated Depreciation and Amortization:	
Buildings and Building Improvements	4,811,589
Subscription Asset	179,966
Equipment	333,154
Total Assets	92,629,246

LIABILITIES

Accounts Payable	289,843
Accrued Payroll and Payroll Taxes	333,514
Deposits	16,373
Unearned Revenue:	
Grants and Partnerships	168,765
Long-Term Liabilities:	
Subscription Liability - Due Within One Year	57,685
Subscription Liability - Due in More than One Year	59,849
Compensated Absences - Due Within One Year	317,232
Total Liabilities	1,243,261
Deferred Inflows of Resources:	
Property Taxes	10,776,854
Leases	59,299,314
Total Deferred Inflows of Resources	70,076,168
Net Position:	
Net Investment in Capital Assets	9,818,491
Restricted for TABOR Reserve	470,801
Unrestricted	11,020,525
Total Net Position	$ 21,309,817

See accompanying Notes to Financial Statements.

HEALTH SERVICES DISTRICT OF NORTHERN LARIMER COUNTY
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

Functions/Programs	Expenses	Program Revenue: Net Charges for Services	Program Revenue: Operating Grants and Contributions	Net Revenue (Expense) and Changes in Net Position
Governmental Activities:				
Dental Services	$ 3,964,259	$ 1,140,416	$ -	$ (2,823,843)
Grants, Partnerships, and Special Projects	412,677	-	1,453,739	1,041,062
Connections: Mental Health/ Substance Use Issues Services	2,467,362	40,369	-	(2,426,993)
MH/SA/Primary Care	1,141,253	125,037	-	(1,016,216)
Healthcare Access	952,311	-	-	(952,311)
General Government	1,807,143	-	-	(1,807,143)
Health Promotion	596,629	-	-	(596,629)
Community Impact	810,475	-	-	(810,475)
Assessment, Research, and Evaluation	314,851	-	-	(314,851)
Total Governmental Activities	$ 12,513,208	$ 1,305,822	$ 1,453,739	(9,753,647)
General Revenues:				
Property and Specific Ownership Taxes				11,354,262
Lease Revenue				1,546,332
Investment Earnings				624,535
Other Income				27,502
Total General Revenues				13,552,631
CHANGE IN NET POSITION				3,798,984
Net Position - Beginning of Year				17,510,833
NET POSITION - END OF YEAR				$ 21,309,817

See accompanying Notes to Financial Statements.

HEALTH SERVICES DISTRICT OF NORTHERN LARIMER COUNTY
BALANCE SHEET – GOVERNMENTAL FUND
DECEMBER 31, 2024

	General Fund
ASSETS	
Cash and Investments	$ 11,994,048
Receivables:	
Patients, Net of Allowances of $78,976	394,549
Grants Receivable and Other	73,933
Property Taxes	10,775,197
Specific Ownership Taxes	61,277
Leases	59,299,350
Prepaid Items	94,867
Total Assets	$ 82,693,221
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	
Liabilities:	
Accounts Payable	$ 289,843
Accrued Payroll and Payroll Taxes	333,514
Deposits	16,373
Unearned Grants and Partnerships Revenue	168,765
Total Liabilities	808,495
Deferred Inflows of Resources:	
Property Taxes	10,776,854
Leases	59,299,314
Dental Services	418,494
Total Deferred Inflows of Resources	70,494,662
Fund Balance:	
Nonspendable - Prepaid Items	94,867
Restricted - TABOR Reserve	470,801
Assigned - Subsequent Year	69,977
Unassigned	10,754,419
Total Fund Balance	11,390,064
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 82,693,221

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, 2024

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balance - Governmental Fund	$ 11,390,064
Amounts reported for governmental activities in the statement of net position are different because:	
Unavailable Revenues	418,494
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund.	9,936,025
Long-term liabilities are not due and payable from current financial resources and, therefore, are not reported as liabilities on the fund financial statements. Long-term liabilities at year-end consist of subscription liabilities.	(117,534)
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, 2024.	(317,232)
Net Position of Governmental Activities as Reported on the Statement of Net Position	$ 21,309,817

See accompanying Notes to Financial Statements.

HEALTH SERVICES DISTRICT OF NORTHERN LARIMER COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
YEAR ENDED DECEMBER 31, 2024

	General Fund
REVENUE	
Property and Specific Ownership Taxes	$ 11,354,262
Net Charges for Services	887,328
Lease Income	1,546,332
Grants and Partnerships	1,453,739
Investment Earnings	624,535
Miscellaneous Income	27,502
Total Revenue	15,893,698
EXPENDITURES	
General Government	1,732,406
Program Operations:	
Dental Services	3,888,518
MH/SA/Primary Care	1,120,645
Health Promotion	583,222
Community Impact	794,075
Connections: Mental Health/Substance Use Issues Services	2,413,364
Grants, Partnerships, and Special Projects	410,177
Assessment, Research, and Evaluation	307,923
Resource Development	46,248
Health Care Access	931,813
Subtotal	12,228,391
Capital Outlay	362,065
Debt Service - Principal	113,200
Debt Service - Interest	2,500
Total Expenditures	12,706,156
OTHER FINANCING SOURCES	
Proceeds - SBITAs	180,744
NET CHANGE IN FUND BALANCE	3,368,286
Fund Balance - Beginning of Year	8,021,778
FUND BALANCE - END OF YEAR	$ 11,390,064

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, 2024

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balance - Governmental Fund	$ 3,368,286
Amounts reported for governmental activities in the statement of activities are different because:	
Unavailable Revenues - Dental Services	418,494
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.	31,191
The issuance of long-term debt (leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This is the amount by which repayments exceeded proceeds:	
Principal Payments on Subscription	113,200
Proceeds on Subscriptions	(180,744)
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.	48,557
Change in Net Position of Governmental Activities as Reported in the Statement of Activities	$ 3,798,984

See accompanying Notes to Financial Statements.

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.

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.

Adoption of New Accounting Standards

In June 2022, the Government Accounting Standards Board (GASB) issued GASB Statement No. 101 – *Compensated Absences*. The primary objective of this Statement is to better meet the information needs of the financial statement users by updating the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but has not yet been paid. The Health District adopted the requirements of the guidance effective January 1, 2024.

NOTE 2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

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.

Patient accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectibility 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 changed in 2024 by establishing an allowance based on the age of outstanding receivables and retrospective review of past write offs. 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.

NOTE 2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

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 10th 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.

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 3 to 40 years.

NOTE 2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Leases

Lessor

The Health District is a lessor for noncancellable leases of buildings. The Health District recognizes a lease receivable and a deferred inflow of resources in the applicable governmental activities in the government-wide and in the governmental fund financial statements.

At the commencement of a lease, the Health District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Health District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Health District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Health District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

SBITAs

SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. The Health District recognizes SBITA assets with an initial value of $2,500. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

NOTE 2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

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. The liability for compensated absences reported in the government-wide statements consists of leave that has not been used that is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

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 two items that qualify 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. The statement of net position and the governmental funds balance sheet also report a deferred inflow of resources related to leases.

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.

NOTE 2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

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 unrestricted. 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 year-end; 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.

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, 2024, approximately 79.3% and 20.7%, of net dental service revenue from third-party payors was received from Medicaid and other governments, 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. 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.

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, 2024, the Health District's carrying amount of deposits was $603,604 and the bank balance was $828,729. Cash balances may be transferred overnight in order to maximize interest income. The Health District also had petty cash and change fund balances amounting to $1,225 at December 31, 2024.

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.

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 11 months. These certificates of deposits had a value of $1,068,089 at December 31, 2024.

- 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, 2024, the Health District had $10,321,130 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.

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 RECEIVABLES

In 1994, the Health District, acting as a lessor, 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 lease includes a 3% annual increase, expires April 2062, and is cancelable only upon mutual agreement of both parties, default, or other terms of the revised lease. During the year ended December 31, 2024, the Health District recognized $134,755 and $1,171,242 in lease revenue and interest revenue, respectively, pursuant to this contract.

The Health District, acting as a lessor, also leases building office space under long-term, noncancelable lease agreements, which includes variable common area fees. The leases expire at various dates through 2025. During the year ended December 31, 2024, the Health District recognized $140,884, 96,342, and $3,109 in lease revenue, common area fees, and interest revenue, respectively, pursuant to these contracts.

Total future minimum lease payments to be received under lease agreements are as follows:

Year Ending December 31,	Principal
2025	$ 233,611
2026	222,691
2027	267,133
2028	316,925
2029	369,015
2030-2034	2,693,241
2035-2039	4,360,936
2040-2044	6,426,740
2045-2049	8,963,861
2050-2054	12,061,512
2055-2059	15,826,147
2060-2062	7,557,538
Total Minimum Lease Payments	$ 59,299,350

NOTE 5 CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	$ 4,592,595	$ -	$ -	$ 4,592,595
Construction in Progress	-	18,721	-	18,721
Total Capital Assets, Not Being Depreciated	4,592,595	18,721	-	4,611,316
Capital Assets Being Depreciated:				
Building	7,452,624	-	-	7,452,624
Building Improvements	16,667	-	-	16,667
Subscription Asset	107,746	180,744	-	288,490
Equipment	1,259,507	162,600	(25,069)	1,397,038
Total Capital Assets Being Depreciated	8,836,544	343,344	(25,069)	9,154,819
Less Accumulated Depreciation/Amortization:				
Building	(2,442,580)	(198,455)	-	(2,641,035)
Building Improvements	(16,667)	-	-	(16,667)
Subscription Asset	(50,114)	(58,410)	-	(108,524)
Equipment	(1,014,944)	(74,009)	25,069	(1,063,884)
Total Accumulated Depreciation/Amortization	(3,524,305)	(330,874)	25,069	(3,830,110)
Total Capital Assets, Being Depreciated, Net	5,312,239	12,470	-	5,324,709
Governmental Activities Capital Assets, Net	$ 9,904,834	$ 31,191	$ -	$ 9,936,025

NOTE 5 CAPITAL ASSETS (CONTINUED)

Depreciation/amortization expense for the year ended December 31, 2024, was charged to functional programs as follows:

Dental Services	$ 92,167
MH/SA/Primary Care	25,077
Connections	65,708
Health Care Access	24,943
Health Promotion	16,315
Community Impact	19,957
General Government	78,277
Assessment, Research, and Evaluation	8,430
Total	$ 330,874

NOTE 6 LONG-TERM LIABILITIES

A summary of the changes in long-term liabilities for the year ended December 31, 2024 is as follows:

	January 1, Balance	Additions	Reductions	December 31, Balance	Due Within One Year
Governmental Activities:					
Subscription Liability	$ 49,990	$ 180,744	$ 113,200	$ 117,534	$ 57,685
Compensated Absences	365,789	-	48,557	317,232	317,232
Total Long-Term Obligations	$ 415,779	$ 180,744	$ 161,757	$ 434,766	$ 374,917

The change in compensated absence liability is presented as a net change.

NOTE 7 SUBSCRIPTION LIABILITY

The Health District subscribes to various software under a noncancelable agreements for which the right to use the software expires between January 2025 and November 2027. The total future minimum subscription payments for the subscriptions are as follows:

Year Ending December 31,	Principal
2025	$ 57,685
2026	59,849
Total Minimum Subscription Payments	$ 117,534

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 $372,637 for the year ended December 31, 2024. Covered payroll was $7,409,829 for the year ended December 31, 2024.

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 29 employees participate during 2024.

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 UCHealth, 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 UCHealth; and 2) early termination of the Joint Operating Agreement between PVHCI/PVHS, UCHA, and UCHealth. 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 UCHealth, executed in January 2012.

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, 2024, 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 Human Resources director of the Health District serves as a member on the board of trustees of CEBT. The Health District paid $1,049,392 to CEBT during the year ended December 31, 2024.

NOTE 12 TAX ABATEMENTS

The Health District does not directly abate taxes. However, for the year ended December 31, 2024, the Health District's property tax revenues were reduced by $615,692 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
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2024

	Original and Final Budget	Actual Amounts	Variances Over (Under)
REVENUE			
Property and Specific Ownership Taxes	$ 11,335,198	$ 11,354,262	$ 19,064
Lease Income	1,531,998	1,546,332	14,334
Investment Earnings	415,000	624,535	209,535
Net Charges for Services	1,169,972	887,328	(282,644)
Grants and Partnerships	1,927,517	1,453,739	(473,778)
Miscellaneous Income	24,600	27,502	2,902
Total Revenue	16,404,285	15,893,698	(510,587)
EXPENDITURES			
Current:			
General Government	1,768,100	1,732,406	35,694
Program Operations:			
Dental Services	4,746,003	3,888,518	857,485
MH/SA/Primary Care	1,362,250	1,120,645	241,605
Health Promotion	843,104	583,222	259,882
Community Impact	1,157,452	794,075	363,377
Connections: Mental Health Substance Use Issues Services	3,289,545	2,413,364	876,181
Grants, Partnerships, and Special Projects	1,377,309	410,177	967,132
Assessment, Research, and Evaluation	535,163	307,923	227,240
Health Care Access	1,236,567	931,813	304,754
Total Current Expenditures	16,315,494	12,228,391	4,087,102
Capital Outlay	526,040	362,065	163,975
Debt Service - Principal	-	113,200	(113,200)
Debt Service - Interest	-	2,500	(2,500)
Contingency	500,000	-	500,000
Total Expenditures	17,341,534	12,706,156	4,635,377
OTHER FINANCING SOURCES (USES)			
Proceeds - SBITAs	-	180,744	180,744
Total Other Financing Sources (Uses)	-	180,744	180,744
NET CHANGE IN FUND BALANCE	(937,249)	3,368,286	(4,965,220)
Fund Balance - Beginning of Year	8,747,550	8,021,778	(725,772)
FUND BALANCE - END OF YEAR	$ 7,810,301	$ 11,390,064	$ (5,690,992)

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.

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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 Health Services District of Northern Larimer County as of and for the year ended December 31, 2024, and have issued our report thereon dated April 30, 2025. 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 statement of work dated December 3, 2024. 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.

As described in Note 2 , the entity changed accounting policies related to compensated absences by adopting Statement of Governmental Accounting Standards Board (GASB Statement) No. 101, *Compensated Absences*, in 2024. The implementation did not have a material impact on the financial statements.

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. There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

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. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Uncorrected misstatements or the matters underlying uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if management has concluded that the uncorrected misstatements are immaterial to the financial statements under audit

Corrected misstatements

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

The following immaterial misstatements detected as a result of audit procedures were corrected by management:

1. Adjustment to revenue and deferred revenue of $41,600
2. Adjustment to expenses and accounts payable for liabilities unrecorded at year-end of $131,559
3. Adjustment to lease receivable and deferred inflows of $8,344

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 April 30, 2025.

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.

Other audit findings or issues

We have provided a separate communication to you dated April 30, 2025, communicating internal control related matters identified during the audit.

Required supplementary information

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.

* * *

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

CliftonLarsonAllen LLP

Broomfield, Colorado
April 30, 2025

SUMMARY OF UNCORRECTED MISSTATEMENTS - AUDIT
Health District of Northern Larimer County
General Fund
Year Ended December 31, 2024

Description	Assets	Liabilities	Fund Balance / Net Position	Change in Fund Balance / Net Position
Describe all current year misstatements below.	Debits/Credits - Amounts should be entered as debits (positive amounts) or credits (negative amounts). For example, increases to assets as debits, increases to liabilities as credits, decreases to net income as debits, and increases to net income as credits. Collapse this row (to the left) to print for attachment to management representation letter.			
Net Accounts Receivable exceeds deferred inflow	$ 23,945			$ (23,945)
Net current year misstatements (Iron Curtain Method)	23,945	-	-	(23,945)
Effect of prior year uncorrected misstatements on the change in fund balance/net position				
Combined current and prior year misstatements (Rollover Method)	$ 23,945	$ -	$ -	$ (23,945)
Financial statement totals	$ 82,693,221			$ 3,368,286
Current year misstatement as a % of financial statement totals (Iron Curtain Method)	0%	#DIV/0!	#DIV/0!	-1%
Current and prior year misstatement as a % of financial statement totals (Rollover Method)	0%	#DIV/0!	#DIV/0!	-1%

OMISSION OF A DISCLOSURE, INCLUDING INADEQUATE OR INCOMPLETE DISCLOSURES, OR UNCORRECTED MISSTATEMENTS OF DISCLOSURES

Guidance

Description	Amount (If Applicable)

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

In planning and performing our audit of the financial statements of the governmental activities and the major fund of Health Services District of Northern Larimer County as of and for the year ended December 31, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the entity's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to fraud or error may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Material weaknesses

Given the limitations described in the second paragraph, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Significant deficiencies

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the entity's internal control to be significant deficiencies:

- Dentrix, which serves as the dental practice management software, was not properly used related to customer/accounts receivable as uncollectible accounts were not formally written off in Dentrix which required manual adjustments to the general ledger to present accurate balances. Management did not retain formal written policies and procedures related to the reconciliation between Dentrix and the accounting system, which caused significant delays in reconciliations and billing when the accounting team experienced significant turnover during 2024.

- During our review of accounts payable, we noted $85,736 of expenses paid in 2025 that were related to 2024 that were not accrued as accounts payable. Management performed a second review of 2025 disbursements and identified an additional accounts payable accrual of $131,559, which included the expenses we noted of $85,736.

None of the identified significant deficiencies are considered to be material weaknesses.

Other deficiencies in internal control and other matters

During our audit, we became aware of other deficiencies in internal control and other matters that are opportunities to strengthen your internal control and improve the efficiency of your operations. While the nature and magnitude of the other deficiencies in internal control were not considered important enough to merit the attention of the board of directors, they are considered of sufficient importance to merit management's attention and are included herein to provide a single, comprehensive communication for both those charged with governance and management.

- Grant revenue of $41,600 was recorded in 2024, however the receipt was related to a milestone objective related to January – March 2025. A correcting adjustment was needed to reclassify as unearned revenue.

- We noted a lease with a term of 12 months was recorded as a lease under GASB-87; however, the definition of a lease per GASB-87 applies to leases with a term of greater than 12 months. An adjustment of $8,344 was needed to remove the lease receivable and deferred inflow from the balance sheet.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various entity personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

* * *

This communication is intended solely for the information and use of management, the board of directors, and others within the entity, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Broomfield, Colorado
April 30, 2025

Health District

FINANCIAL SYSTEMS ASSESSMENT

KEY IMPROVEMENTS & THEIR SIGNIFICANCE FOR BOARD OVERSIGHT

EXECUTIVE SUMMARY

The purpose of this assessment report is to document the findings related to the District's internal controls, financial systems, and financial reporting and budgeting that were identified during our comprehensive review. The items identified have been compared with accounting standards, industry standards, and best practices for government entities. Many of the issues discussed in this assessment were proactively identified by the current financial team and reported to the Board beginning in August 2024 (one month after YPTC assumed Finance Department functions). All findings have been or are being addressed through systematic improvements to strengthen financial practices.

This document serves as both a record of identified issues and documentation of the substantial improvements implemented to enhance financial oversight, transparency, and accountability for the public funds entrusted to the District.

PRIOR BOARD REPORTING

The following issues were previously reported to the Board of Directors within regular financial reports:

1. **Information silos**: Reported to the Board of Directors beginning in August 2024 through year-end Financial Reports (Feb. 2025).
2. **Missing approval workflows**: Reported to the Board of Directors beginning in August 2024 through year-end Financial Reports (Feb. 2025).
3. **Administrative cost allocation practices**: Reported to the Board of Directors beginning in the 2025 Budget Study Session through year-end Financial Reports (Feb. 2025).
4. **Bank reconciliation controls**: Reported to the Board of Directors beginning in September 2024 through year-end Financial Reports (Feb. 2025).
5. **Missing financial documentation**: Reported to the Board of Directors beginning in September 2024 through year-end Financial Reports (Feb. 2025).
6. **Self-approval capability**: Reported to the Board of Directors beginning in September 2024 through year-end Financial Reports (Feb. 2025).
7. **Financial statement inconsistencies**: Reported to the Board of Directors beginning in September 2024 through year-end Financial Reports (Feb. 2025).
8. **Inconsistent accounting methods**: Reported to the Board of Directors beginning in October 2024 through year-end Financial Reports (Feb. 2025).
9. **Budget methodology issues**: Reported to the Board of Directors beginning in October 2024 through year-end Financial Reports (Feb. 2025).
10. **Non-standard financial statements**: Reported to the Board of Directors beginning in November 2024 through year-end Financial Reports (Feb. 2025).
11. **Oversized chart of accounts**: Reported to the Board of Directors in the 2025 First Quarter financial report.
12. **Program software configuration issues**: Reported to the Board of Directors beginning in the year-end Financial Reports (Feb. 2025).

INTERNAL CONTROLS ENHANCEMENT SUMMARY

Internal controls are the systems and procedures that protect public funds and ensure accurate financial reporting.

What We Found	Why It Matters to the District	Relevant Standards/Best Practices	How We've Strengthened Our Practices
Former personnel retained access: People who left the organization remained on bank and investment accounts, and access was not granted to current staff or Board members in accordance with Board policies or reasonable operational timelines.	**CRITICAL IMPORTANCE:** This practice deviates from security considerations, possibly allowing unauthorized individuals to access public funds.	GFOA best practice guidance recommends prompt removal of access when personnel changes occur. [1] Industry frameworks like COSO emphasize the importance of access controls. [2] The Colorado Local Government Financial Management Manual provides guidance on access control procedures. [3]	All former personnel have been removed from accounts. HR now follows a termination checklist that immediately revokes all financial access when someone leaves or when a transition occurs.
Bank reconciliations: The same staff who created transactions also reviewed them. *	**HIGH IMPORTANCE:** This is like having students grade their own tests. When the same person both processes and checks transactions, errors can go unnoticed, and it creates opportunities for funds to be mishandled.	Segregation of duties represents a fundamental principle in the COSO Internal Control Framework. [4] GFOA best practices emphasize separation of transaction execution and verification. [5] Government Auditing Standards (Yellow Book) provides guidance on appropriate control activities. [6]	YPTC performs all monthly bank reconciliations. YPTC can see the statements but cannot move money, creating a crucial safeguard for public funds.
Missing financial documentation: Support for balance sheet accounts was inconsistently maintained or missing. *	**HIGH IMPORTANCE:** Without proper documentation, we cannot verify if financial statements are accurate. This impedes organizational decision making and resource allocation across management and leadership levels of the organization.	GASB Concept Statement No. 1 emphasizes the need for verifiability of financial information. [7] Colorado has statutory requirements for governmental financial documentation retention. [8] GFOA materials outline documentation standards as a best practice. [9]	YPTC conducted a comprehensive review and clean-up of all balance sheet accounts, identifying and correcting misstatements. All accounts are now reconciled monthly with complete documentation. This creates a clear "audit trail" that allows for verification of all public funds and financial positions.
Incomplete internal control reporting: Previous descriptions of internal controls were misrepresented.	**HIGH IMPORTANCE:** Accurate reporting of controls is essential for board oversight. When controls are represented inaccurately, the board cannot fulfill its fiduciary responsibilities.	Government Auditing Standards emphasize the importance of accurate internal control reporting to governing bodies.[10]Colorado special district governance standards outline fiduciary responsibilities.[11]Transparency in control environment reporting is considered fundamental to public entity governance.[12]	The 2024 audit included full transparency about our control environment. We are documenting all control procedures to ensure the board has accurate information for oversight to ensure they can fulfill their fiduciary oversight duties.

Information silos: Financial information and processes were held within specific roles rather than shared across the finance team or across departments. *	**MEDIUM IMPORTANCE:** This creates blind spots in financial oversight and makes coordinated planning and evaluation difficult. This practice can also cause redundant and inefficient workflows, delays in financial reporting, and missed opportunities for gaining a comprehensive view of financial performance.	GFOA best practices recommend integrated approaches to financial information management. [13]COSO frameworks emphasize information and communication across organizational functions. [14]Governmental entity best practices encourage cross-departmental information sharing. [15]	Leadership has established regular intra-departmental and cross-departmental financial communication. This transparent approach improved both our 2025 Budget development and 2024 Audit completion.

ACCOUNTING SYSTEMS MODERNIZATION SUMMARY

Our accounting systems are the tools that record, track, and report on all financial activities.

What We Found	Why It Matters to the District	Relevant Standards/Best Practices	How We've Strengthened Our Practices
Disabled audit trails: System tracking of user activity was not fully used.	**CRITICAL IMPORTANCE:** Without audit trails, it's impossible to see who made changes in the financial system, creating accountability gaps and making investigation of discrepancies impossible.	COBIT 5 IT governance framework recommends robust audit logging for financial systems. [16]NIST cybersecurity guidelines outline controls for system monitoring. [17]GFOA technology best practices emphasize maintaining activity logging. [18]	Comprehensive audit trails now track all system activity, creating accountability and allowing for complete review of any questionable transactions.
Self-approval capability: Users could approve their own financial entries. *	**CRITICAL IMPORTANCE:** Self-approval eliminates a fundamental financial safeguard. This would be like allowing someone to approve their own expense reports without any oversight.	GFOA materials address segregation of duties in electronic environments as a best practice. [19]COSO frameworks emphasize separation of incompatible duties. [20]The Colorado Local Government Financial Management Manual provides guidance on approval processes. [21]	All financial transactions now require separate user validation, eliminating the possibility of self-approval and strengthening protection of public funds.
Oversized chart of accounts: Our system had over 3,400 general ledger accounts (normal for our size is 200-400). *	**HIGH IMPORTANCE:** Too many accounts make financial oversight nearly impossible. It is like having 3,400 different budget categories for your household - too complex to monitor effectively or evaluate performance of programs or services.	GFOA guidance suggests streamlined charts of accounts to improve clarity. [22]Industry standard practices for organizations our size typically recommends 200-400 accounts. [23]Excessive complexity creates unnecessary reporting challenges according to governmental accounting frameworks. [24]	Our new system has approximately 200 accounts, making financial reporting clearer and oversight significantly more manageable for the board and management.

Missing approval workflows: Bank transactions lacked documented, structured approval processes. *	**HIGH IMPORTANCE:** Without formal approvals, transactions could be processed without proper oversight, creating a significant risk of error or misuse of funds.	GFOA best practices for treasury management recommend structured approval processes. [25]COSO frameworks emphasize control activities for transaction approval. [26]Public sector standards include documented approval workflows as a fundamental control. [27]	Our new system requires structured approvals for all financial transactions, ensuring proper oversight before any public funds are moved.
Deletion of financial history: The system allowed removal of accounts with transaction history.	**HIGH IMPORTANCE:** The ability to delete financial history undermines the integrity of all financial reporting and violates basic accounting principles and public records requirements.	GASB standards emphasize the preservation of financial records.[28] Colorado public records retention requirements apply to financial data.[29] Maintaining historical transaction integrity is a fundamental accounting principle. [30]	Our new system prevents the deletion of any account with transaction history, preserving complete financial records as required for public agencies.
Excessive vendor records: Over 6,000 vendor records in the system.	**MEDIUM IMPORTANCE:** An oversized vendor list makes it difficult to monitor who we are paying and increases the risk of duplicate or fraudulent payments.	GFOA purchasing best practices recommend maintaining streamlined vendor databases. [31]Vendor management control standards emphasize proper maintenance of vendor information. [32] Fraud prevention frameworks identify vendor file maintenance as a key control area. [33]	After cleanup, we now maintain 219 active vendor records, allowing for much clearer oversight of who receives public funds.
Excessive customer records: Nearly 12,000 customer records including patient information.	**HIGH IMPORTANCE:** Maintaining unnecessary personal information creates privacy risks and regulatory compliance concerns.	HIPAA regulations include requirements for minimization of protected health information. [34]Data privacy best practices emphasize maintaining only necessary patient data. [35]Colorado privacy laws create obligations for entities maintaining personal information. [36]	Following thorough review, we maintain only 16 institutional customer records, reducing privacy risks while improving oversight clarity.

FINANCIAL REPORTING & BUDGETING ENHANCEMENT SUMMARY

Financial reporting provides the foundation for board oversight and public transparency.

What We Found	Why It Matters to the District	Relevant Standards/Best Practices	How We've Strengthened Our Practices
Inconsistent accounting methods: Multiple approaches were used simultaneously-cash basis, full accrual, modified accrual. *	**CRITICAL IMPORTANCE:** Using different accounting methods is like measuring some things in miles and others in kilometers - it creates confusion and makes accurate comparison impossible.	GASB Statement No. 34 provides guidance on consistent governmental accounting methodology. [37]Generally Accepted Accounting Principles (GAAP) emphasize consistency in financial reporting. [38]GFOA standards recommend standardized approaches for governmental financial reporting. [39]	We have standardized our accounting methodology to align with the modified accrual basis throughout all financial processes, ensuring consistency and accuracy in financial reporting.
Non-standard financial statements: Reports did not fully align with governmental standards. *	**HIGH IMPORTANCE:** Governmental accounting standards exist to ensure clear, consistent reporting for public oversight. Non-compliance undermines transparency and comparability.	GASB Statement No. 34 outlines governmental financial reporting requirements. [40]Colorado has specific reporting requirements for special districts. [41]Standard governmental financial statement structures ensure transparency and comparability. [42]	Financial statements now include all required governmental fund reports, ensuring full compliance with standards and improved clarity for the board and public.
Financial statement inconsistencies: Key figures differed across reports. *	**HIGH IMPORTANCE:** When numbers do not match across reports, it signals potential errors and undermines confidence in all financial information.	GAAP emphasizes consistency in reported figures across all financial statements. [43]GASB guidance addresses consistency requirements for governmental entities. [44]Data integrity is considered fundamental to governmental financial reporting. [45]	We have implemented cross-validation procedures to ensure consistency across all financial statements, significantly improving reliability of financial information.
Budget methodology issues: Inconsistent approaches to budget development. *	**HIGH IMPORTANCE:** Budget accuracy directly impacts service delivery, performance evaluation and financial sustainability. Methodological issues can lead to resource misallocation or financial surprises.	GFOA publishes extensive materials on best practices for governmental budgeting. [46]Colorado statutes contain specific requirements for special district budgeting processes. [47]Consistent methodology is considered essential for public sector budgeting. [48]	The 2025 Budget used standardized, best-practice methodologies, with further improvements planned for 2026 using specialized software for greater accuracy.
Overpayment of CO Unemployment Insurance: SUTA owed by the employer was calculated incorrectly since at least 2011.	**MEDIUM IMPORTANCE**: Correct payroll tax calculations are vital to ensuring accurate payments to taxing authorities and employees.	IRS and Colorado Department of Labor publications provide specific guidance on proper calculation of unemployment taxes.[49] Payroll compliance standards emphasize accuracy in tax calculations.[50] Financial stewardship obligations for public funds include proper tax administration.[51]	YPTC identified estimated overpayments by the District of $115K. Amendments are being filed for the prior 3 years as allowed by Colorado. The use of a third-party payroll provider will prevent this for future returns.

Administrative cost allocation practices: FTE reporting did not reflect actual administrative staffing levels. *	**MEDIUM IMPORTANCE**: Transparency in administrative costs is essential for board oversight and public trust. Obscuring these costs prevents informed decision-making.	GFOA publications address transparency standards for administrative cost reporting. [52]Governmental cost allocation guidance emphasizes accurate representation of administrative functions. [53]Public sector reporting frameworks recommend clear delineation of administrative expenses. [54]	True FTE counts by department are now reported, providing the board with accurate information for resource allocation decisions.
Program software configuration issues: Dental program software had reporting limitations. *	**MEDIUM IMPORTANCE:** When program-specific software is not properly configured, it affects both service delivery efficiency, performance evaluation, and financial reporting accuracy.	Healthcare fiscal management standards emphasize proper system configuration for accurate reporting.[55]Data integrity requirements apply to program-specific software integration.[56]System integration is considered fundamental to reliable financial reporting.[57]	Configuration issues have been addressed with expert assistance, improving both operational efficiency and financial reporting accuracy.

LOOKING FORWARD: BOARD CONSIDERATION

Based on the nature and extent of historical issues identified, the board may wish to consider:

1. Whether additional review of specific past time periods may be warranted.
2. If targeted examination of high-risk areas (cash handling, approval processes) would provide additional assurance.
3. What level of historical validation would fulfill the board's fiduciary responsibility to the public?
4. How frequently should the Board receive updates on the continued effectiveness of newly implemented controls and systems?
5. What additional financial training or resources would help Board members fulfill their financial duties?

REFERENCES

All items with an asterisk (*) were previously reported to the Board.

[1] All standards and best practices referenced are publicly available through the respective organizations' websites or publications.

[2] Government Finance Officers Association (GFOA), "Banking Services: Managing Banking Relationships," best practices publication.

[3] Committee of Sponsoring Organizations of the Treadway Commission (COSO), "Internal Control-Integrated Framework," Principle 11 regarding access controls.

[4] Colorado Department of Local Affairs, "Local Government Financial Management Manual," Section 3.4 on banking controls.

[5] COSO, "Internal Control-Integrated Framework," Principle 10 on control activities and segregation of duties.

[6] GFOA, "Internal Control: Segregation of Duties," best practices publication.

[7] Government Accountability Office, "Government Auditing Standards" (Yellow Book), 2018 Revision, Section 7.16 on control activities.

[8] Governmental Accounting Standards Board (GASB), "Concept Statement No. 1: Objectives of Financial Reporting," Section on qualitative characteristics of financial information.

[9] Colorado Revised Statutes § 24-80-101 et seq., "Public Records Retention," and Department of Local Affairs guidance.

[10] GFOA, "Documentation of Accounting Policies and Procedures," best practices publication.

[11] Government Accountability Office, "Government Auditing Standards" (Yellow Book), 2018 Revision, Section 9.21-9.23 on reporting requirements.

[12] Colorado Department of Local Affairs, "Special District Board Member Manual," Section on financial oversight responsibilities.

[13] GFOA, "Enhancing Management Involvement with Internal Control," best practices publication.

[14] GFOA, "Technology in Capital Planning and Management," best practices publication.

[15] COSO, "Internal Control-Integrated Framework," Principle 13 on information and communication.

[16] Association of Government Accountants (AGA), "Characteristics of Effective Government Financial Management," Section on cross-functional coordination.

[17] ISACA, "COBIT 5: A Business Framework for the Governance and Management of Enterprise IT," Section DSS06.03 on managing audit logs and security information.

[18] National Institute of Standards and Technology (NIST), "Security and Privacy Controls for Federal Information Systems," Control AU-2: Audit Events.

[19] GFOA, "Technology Disaster Recovery Planning," best practices publication, Section on system monitoring and activity logging.

[20] GFOA, "Internal Control: Segregation of Duties in Electronic Environments," best practices publication.

[21] COSO, "Internal Control-Integrated Framework," Principle 10 on control activities and segregation of duties.

[22] Colorado Department of Local Affairs, "Local Government Financial Management Manual," Section 4.2 on financial approval processes.

[23] GFOA, "Documenting Accounting Policies and Procedures," best practices publication, Section on chart of accounts design.

[24] American Institute of Certified Public Accountants (AICPA), "Audit and Accounting Guide: State and Local Governments," guidance on chart of accounts structure.

[25] GASB, "Comprehensive Implementation Guide," Q&A on financial statement preparation and reporting.

[26] GFOA, "Treasury Management," best practices publication, Section on transaction authorization.

[27] COSO, "Internal Control-Integrated Framework," Principle 10.03 on transaction approvals.

[28] Association of Government Accountants (AGA), "Internal Control & Fraud Prevention," guidance for governmental entities.

[29] GASB, "Codification of Governmental Accounting and Financial Reporting Standards," Section on record retention.

[30] Colorado Revised Statutes § 24-80-101 et seq., "Public Records Retention."

[31] AICPA, "Audit and Accounting Guide: State and Local Governments," Section on data integrity.

[32] GFOA, "Procurement Card Programs," best practices publication, Section on vendor management.

[33] Institute of Internal Auditors (IIA), "Global Technology Audit Guide (GTAG): Identity and Access Management," Section on vendor file maintenance.

[34] Association of Certified Fraud Examiners (ACFE), "Fraud Prevention Check-Up," Section on vendor master file controls.

[35] Health Insurance Portability and Accountability Act (HIPAA), "Privacy Rule," 45 CFR § 164.502(b) on minimum necessary standard.

[36] National Institute of Standards and Technology (NIST), "Guide to Protecting the Confidentiality of Personally Identifiable Information," Section 2.2 on data minimization.

[37] Colorado Privacy Act, C.R.S. § 6-1-1301 et seq.

[38] GASB Statement No. 34, "Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments," Section on accounting basis.

[39] Financial Accounting Standards Board (FASB), "Statement of Financial Accounting Concepts No. 8: Conceptual Framework for Financial Reporting," Chapter 3: Qualitative Characteristics.

[40] GFOA, "Governmental Accounting, Auditing and Financial Reporting," best practices publication.

[41] GASB Statement No. 34, "Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments," Section on financial statement presentation.

[42] Colorado Revised Statutes § 32-1-103 et seq., Special District provisions on financial reporting.

[43] GFOA, "Certificate of Achievement for Excellence in Financial Reporting Program," reporting standards.

[44] American Institute of Certified Public Accountants (AICPA), "Audit and Accounting Guide: State and Local Governments," Section on financial statement consistency.

[45] GASB, "Codification of Governmental Accounting and Financial Reporting Standards," Section on reporting consistency.

[46] Association of Government Accountants (AGA), "Financial Reporting Model," guidance on data integrity.

[47] GFOA, "Best Practices in Public Budgeting," comprehensive publication.

[48] Colorado Revised Statutes § 29-1-101 et seq., "Local Government Budget Law."

[49] National Advisory Council on State and Local Budgeting (NACSLB), "Recommended Budget Practices," framework for governmental budgeting.

[50] Colorado Department of Labor and Employment, "Unemployment Insurance Employer Guide," tax calculation methodology.

[51] American Payroll Association (APA), "Guide to Successful Payroll Management," compliance section.

[52] GFOA, "Stewardship of Public Funds," best practices publication.

[53] GFOA, "Measuring the Cost of Government Service," best practices publication.

[54] Office of Management and Budget (OMB), "Circular A-87: Cost Principles for State, Local, and Indian Tribal Governments," guidance on administrative cost allocation.

[55] Association of Government Accountants (AGA), "Governmental Reporting Model," section on administrative expense reporting.

[56] Healthcare Financial Management Association (HFMA), "Principles and Practices Board Statement 15: Valuation and Financial Statement Presentation of Charity Care, Contractual Allowances, Bad Debts and the Allowance for Doubtful Accounts," reporting standards.

[57] American Health Information Management Association (AHIMA), "Data Quality Management Model," healthcare data standards.

[58] GFOA, "Technology Planning and Management," best practices publication, system integration section.

Health District
OF NORTHERN LARIMER COUNTY

AGENDA DOCUMENTATION

Meeting Date: May 22, 2025

SUBJECT: Juneteenth Day of Service

PRESENTER: Hannah Groves

OUTCOME REQUESTED: ____ Decision _____Consent __x__Report

PURPOSE

The Health District 2024-2025 Strategic Plan states the following objectives:

Health Equity - Objective 2: Cultivate an environment in which diverse thought and experience is welcomed, and staff knowledge of and commitment to equity is invested in

Operational Excellence - Objective 3.1: Improve outreach to clients and Health District residents through providing diverse, effective, and inclusive outreach avenues.

BACKGROUND

Staff of the Health District of Northern Larimer County will be commemorating Juneteenth through education, service, and community celebration.

All-Staff Meeting:

- At the June 19th All-Staff Meeting, a presentation will be made by a local historian to educate staff on the history of Juneteenth.

Day of Service:

- During the afternoon of June 19th, staff will participate in service opportunities at or near the Bristlecone campus.

City of Fort Collins Juneteenth Celebration:

- Staff will conduct outreach and provide screenings from noon to 4pm at the Juneteenth celebration at the Foothills Mall.

Attachment(s): None

FISCAL IMPACT

None

STAFF RECOMMENDATION

None

Health District
OF NORTHERN LARIMER COUNTY

AGENDA DOCUMENTATION

Meeting Date: May 22, 2025

SUBJECT: 2025 Board of Directors Election

PRESENTER: Jessica Shannon

OUTCOME REQUESTED: ____ Decision _____Consent __x__Report

PURPOSE

Per §§1-13.5-111(1) and 32-1-103(147), C.R.S., special districts must hold regular elections on the first Tuesday after the first Monday in May in odd-numbered years for the purpose of electing Directors to the Board and, as applicable, for the submission of other ballot issues or questions.

BACKGROUND

The Health District of Northern Larimer County successfully conducted its Board of Directors Election on Tuesday, May 6, 2025.

Key Progress Updates:

- Deadline for receipt of UOCAVA Ballots – Wed. May 14, 2025
- Deadline for Canvas Board Certification of Election Results – Tues. May 20, 2025
- Held celebratory appreciation lunch with all staff who supported the election
- Have begun after-action review of election to assess and document learnings

Next Steps:

- Certification of results to the division of local government by June 5, 2025
- Finalization of a comprehensive election standard operating procedure and guides
- 2026 budget planning needs to support 2027 Health District Board of Directors Election

Attachment(s): None

FISCAL IMPACT

None

STAFF RECOMMENDATION

None

Health District
OF NORTHERN LARIMER COUNTY

AGENDA DOCUMENTATION

Meeting Date: May 22, 2025

SUBJECT: Executive Director Report

PRESENTER: Liane Jollon

OUTCOME REQUESTED: ____ Decision ____Consent __X__ Report

Please find the Executive Director Staff Report attached with current program updates.

- **MEETINGS**
  The Executive Director met with the following community partners and attend the following meetings/events since the April 24, 2025 board meeting:
  - Longveiw Quality Outcomes Committee Meeting
  - Kevin Unger, President and CEO - UCHealth Northern Colorado Region
  - Colorado Health Institute (CHI) Board Meeting

- **OTHER UPDATES**

1. Executive Leadership Team Optimization Update
- ELT optimization underway with an updated organization chart to follow

2. Client Campus Update
- Planning in progress. Facilities has successfully moved to 202 Bristlecone.

3. Fee Structure
- Continued efforts underway to evaluate our client fee structure process.

6. Compensation
- As a reminder, the 2025 budget included compensation increases for support staff, technical staff, program-level managers, and professional staff. There we no increases for providers, director-level or executive staff. Due to current economic trends, the Board may give future consideration to mid-year increases.

7. Demographic Data Collection
- A cross-functional workgroup has successfully completed the redesign of demographic data collection methodology. The improved framework will deliver enhanced insights into client demographics, enabling more informed strategic decision-making regarding service delivery.

8. Staff Culture and Engagement Updates
- Staff engagement and culture initiative underway
- UKG phase I launch complete!

9. Health Equity Action Team (HEAT)
- HEAT – organizational health equity workgroup was launched with cross-team representation.
- The goal of this group is to involve staff in advancing health equity by creating a collaborative, flexible framework for participation that fosters inclusivity, aligns with strategic plan goals, and supports actionable solutions.

Attachment(s):

- May 2025 Program Updates

Staff Summary

Family Dental Clinic

- The Dental Team recently participated in the Project Homeless Connect event, providing 36 dental screenings to individuals in need. The Dental Team is actively following up with the individuals screened to schedule dental appointments.
- As part of the ongoing commitment to process improvement, the Dental Clinic is preparing to implement a new patient communications software designed to enhance efficiency and better serve all patients. Additionally, the team plans to engage in a workflow analysis with a Dentrix software trainer to optimize the use of the dental systems, strengthen patient care, and improve performance.
- The Dental Team has transitioned a staff member from another department to support front desk operations, improving resource allocation and staff utilization. The team is also pleased to welcome the new Front Office Supervisor, to the Dental Leadership Team.
- The Dental Team has interviewed several strong candidates for the Lead Dentist position and are confident in the ability to onboard a highly qualified professional.

Organizational Excellence | Objective 2.1: Audit and update processes and workflows among programs, services, and enabling functions. **(Status: Work in Progress)**

Health Equity | Objective 1.4: Attract and employ diverse and highly qualified staff, retain staff through development and growth opportunities, and promote staff to address increasingly complex challenges. **(Status: Work in Progress)**

Health Equity | Objective 3.1: Improve outreach to clients and Health District residents through providing diverse, effective, and inclusive outreach avenues. **(Status: Work in Progress)**

- The Family Dental Clinic has the following vacancies:
  - 1 (1.0) FTE Dental Hygienist (currently posted)
  - 1 PRN FTE Dental Hygienist (currently posted/offer in place)
  - 1 (1.0) FTE Front Office Associate (currently posted)

Health Care Access (Larimer Health Connect & Prescription Assistance)

Larimer Health Connect (LHC)

- The LHC team remains dedicated to assisting individuals and families with health coverage needs, including Medicare, life change events, Medicaid, and CHP+ renewals, and providing case troubleshooting and advocacy. The team is proactively reaching out to customers with outstanding verifications for Connect for Health Colorado, offering support to help them submit the necessary information and avoid losing coverage or financial assistance.

- The LHC team currently has 3 State Health Insurance Program (SHIP) certified assisters and will expand this capacity, as the remaining specialist will be trained in assisting customers enrolling in Medicare.
- The LHC team continues to collaborate with the Outreach & Education team at community events and presentations by providing program information and assisting with on-site enrollment when appropriate.
- The Connect for Health Colorado extension application was completed with the collaboration of many colleagues who supported the program throughout this process.
- LHC met with 3 community partners to help identify gaps in the community where LHC may be able to provide additional support. The goal is to maximize support and access to LHC services within the community.

Organizational Excellence | Strategy 2.1.3: Monitor and evaluate workflow and process changes. **(Status: Work in Progress)**

Organizational Excellence | Strategy 2.2.5: Provide staff with training and support **(Status: Work in Progress)**

Organizational Excellence | Strategy 3.1.1: Evaluate existing outreach efforts and effectiveness to identify needs and opportunities. **(Status: Work in Progress)**

Organizational Excellence | Strategy 3.2.1: Assess existing support efforts for community partnerships and partner engagement to identify needs and opportunities. **(Status: Work In Progress)**

Health Equity | Strategy 3.1.4: Update processes, policies, and procedures to promote inclusive and equitable access. (**Status: Work in Progress)**

Partnerships | Strategy 1.1.1: Enhance critical partnerships with new and existing partners. (**Status: Work in Progress)**

Prescription Assistance (PA)

- The Prescription Assistance (PA) program continues to help people experiencing gaps in coverage and those with undocumented status.
- Program policies and procedures are being evaluated and updated.
- PA is beginning work to explore opportunities to expand partnerships with local pharmacies to enhance patient access and offer more choices in pharmacy services for the individuals we serve.

Great Governance | Strategy 2.1.1: Evaluate existing programs, systems, and processes, and update them for quality improvement, fiscal sustainability, and transparency, as needed. (**Status: Work in Progress)**

Health Equity | Strategy 3.1.4: Update processes, policies, and procedures to promote inclusive and equitable access. **(Status: Work in Progress)**

Partnerships | Strategy 1.1.1: Enhance critical partnerships with new and existing partners. (**Status: Work in Progress)**

- The Health Care Access team currently has the following vacancies:
    - 1 (1.0) FTE Health Coverage Guide (not yet posted)

Mental Health Connections (Connections – Adult & CAYAC)

- The Health Services Director and Health Services Project Strategist are continuing to provide direct support to the MHC team at the Mulberry location, addressing historical gaps in service design documentation, standards of care, and clinical protocols.
- Project Team Leads for the Behavioral Health Referral Team project in partnership with Poudre School District (PSD) and SummitStone Health Partners have attended multiple meet and greets with PSD staff to share information about the new referral system. This collaboration represents significant progress in rebuilding the partnership with PSD that ended in summer 2019. The cross-agency Care Team meets weekly to staff referrals and to prepare for the full project launch for the Fall 2025 school year. The work has been recognized at a PSD board of directors meeting and will also be presented to SummitStone Health Partners Board of Directors at the end of May.
- The CAYAC medication provider has successfully completed onboarding and now offers immediate psychiatric medication management appointments. Despite this availability, current utilization at MHC remains minimal with zero demand for appointments thus far. This reflects the broader systemic issues with the underutilization of psychiatric services identified in the previous program analysis. A cross-functional initiative involving the Communications team, Outreach Team, and CIT staff has been implemented to increase stakeholder awareness of these valuable services.
- MHC leadership continues to work towards filling open vacancies across the Adult and CAYAC teams. Leadership has engaged in contracting with a sourcing and placement agency to elevate efforts to fill current open positions. As of October 2024, staffing included 3.5 FTE Care Coordinators, 3.0 FTE Behavioral Health Providers, 1.8 FTE Psychologists, 1.2 FTE Psychiatric Care Providers, and 4.65 Administrative and Support Staff.
- The program is currently transitioning toward evidence-based models with standardized definitions of care and operational procedures. Leadership is implementing clinical outcome measures and enhancing data collection beyond the previously limited demographic data. This includes core demographics (age, race/ethnicity, primary language, gender identity/sexual orientation, insurance, ZIP code, income level, housing status) to better analyze access disparities and address health equity concerns.

Organizational Excellence | Strategy 2.1.2: Develop operational plans to enhance efficiency. **(Status: Work in Progress)**

Organizational Excellence | Strategy 2.2.5: Provide staff with training and support. **(Status: Work in Progress)**

Partnerships | Objective 2.3: Cultivate partnerships with organizations that represent and support the interests of priority populations and health-related social needs. **(Status: Work in Progress)**

- Mental Health Connections has the following vacancies:
  - 1 (1.0) FTE CAYAC Behavioral Health Provider (sourcing)
  - 1 (1.0) FTE CAYAC Psychologist (currently posted & sourcing)
  - 1 (1.0) FTE CAYAC Care Coordination Specialist (not yet posted)
  - 1 (1.0) FTE Adult Behavioral Health Provider (sourcing)
  - 1 (0.5) FTE Adult Care Coordination Specialist (not yet posted)
  - 1 (1.0) FTE Manager (posting in process)

Integrated Care Team

- The Integrated Care (IC) Program Manager continues to work with UCHealth and Health District administration to support a thoughtful transition for the Integrated Care Program staff towards becoming UCHealth employees.
- FMC is in the process of adding youth psychiatry.
- The IC Program Manager continues to work with FMC leadership to improve formal resident (and staff) wellness and resiliency.
- The IC Team continues to provide support to patients and staff regarding recent federal level changes that negatively affect FMC's patient population.

Partnerships | Strategy 1.1.1: Enhance critical partnerships with new and existing partners. **(Status: Work in Progress)**

Partnerships | Strategy 1.2.1: Identify patient personas that are common between the Health District and other community partners to better understand shared-service needs. **(Status: Work in Progress)**

- The Integrated Care Team has no current vacancies.

Staff Summary

RESEARCH & EVALUATION

Internal Program Evaluation

- **Internal Data Enhancement Workgroup:** A cross-functional workgroup has completed a redesign of demographic data collection questions to more accurately reflect the diversity of our clients. The updated question set provides greater detail on key aspects of identity, supporting efforts to enhance impact measurement and establishing a foundation for the development of health equity metrics. Aligned with current best practices, the revised questions cover areas including race, ethnicity, language, sexual orientation, gender identity, annual household income, housing status, disability status, insurance coverage, employment, education, military veteran status, and more. The next phase will focus on staff training to ensure standardized data collection methods, followed by a pilot implementation with patients.

Organizational Excellence | Strategy 4.1.1: Examine and assess existing organizational and community data-collection practices and methodologies. **(Status: Work in Progress)**

Organizational Excellence | Strategy 4.1.2: Develop strategies, policies, and procedures to enhance data collection. (**Status: Work in Progress**)

Health Equity | Strategy 2.2.1: Ensure equity metrics are embedded into data systems and establish benchmarks. (**Status: Work in Progress**)

Community Health Survey

- The Colorado Health Access Survey (CHAS), conducted by our partners at the Colorado Health Institute (CHI), is currently underway, with data collection actively taking place in Larimer County. Data collection is expected to continue through July 2025. In preparation to receive a Larimer County dataset toward the end of 2025, we are exploring analysis support options to ensure we are well-positioned to glean meaningful and actionable insights into the health and needs of our community.

Organizational Excellence | Strategy 4.1.1: Examine and assess existing organizational and community data-collection practices and methodologies. **(Status: Work in Progress)**

Community Engagement

- We continue to co-facilitate a Regional Assessment Collaborative Workgroup, which is focused on developing shared data collection methods and research questions to better understand the data-identified needs of key priority populations in Larimer and Weld counties. The group will initially focus on designing community health assessment data collection for the following priority populations: individuals experiencing homelessness,

people with low incomes, refugee, immigrant, and migrant communities, and individuals who identify as LGBTQIA+. The workgroup is currently exploring opportunities to collect enhanced demographic data and assess social determinants of health to supplement the secondary data already available from state and national community health surveys.

Organizational Excellence | Strategy 4.1.1: Examine and assess existing organizational and community data-collection practices and methodologies. **(Status: Work in Progress)**

Health Equity | Strategy 2.2.1: Ensure equity metrics are embedded into data systems and establish benchmarks. **(Status: Work in Progress)**

Staffing Update

- Hiring plans and timelines are currently being developed to align Research and Evaluation staffing with identified needs aimed at strengthening both internal and community data practices. We are thoughtfully assessing how best to fill two vacant positions from 2024, along with a third position added to the 2025 budget.

COMMUNITY IMPACT TEAM (CIT)

Behavioral Health Focus

- A six-month update to the Mental Health and Substance Use (MHSU) Alliance Strategic Plan (originally published in October 2024) is currently in development. This progress report will highlight key accomplishments, including the adoption of a workgroup and strategy development proposal by the Steering Committee. The first workgroup, *Promoting Behavioral Health through Nonclinical Methods*, will be launched within the next two months. Planning for a Steering Committee retreat in June is underway.
- A consultant (Civic Canopy) has been selected to guide Health District staff in supporting key MHSU Alliance operations, including shared measurement systems and cross-sector coordination, in alignment with collective impact principles.

  Organizational Excellence | Strategy 3.2.1: Assess existing support efforts for community partnerships and partner engagement to identify needs and opportunities. **(Status: Work in Progress)**

  Partnerships | Strategy 2.2.2: Improve collaboration between Health District and health care delivery systems to advance health equity. **(Status: Work in Progress)**
- Staff actively supported the planning of and participated in a Sequential Intercept Map (SIM) workshop. The project mapped key community access points across the criminal justice and behavioral health systems to identify gaps and prioritize areas for improvement. Outcomes are expected to guide future cross-sector interventions and can inform the work of both the MHSU Alliance and the Health District.
- The relaunch of the Changing Minds campaign is underway, aimed at reducing stigma associated with substance use disorders. The updated campaign incorporates refreshed messaging and broader outreach strategies based on past campaign data and community feedback. Staff are updating the website and social media channels with refreshed content, and the campaign will be reintroduced to the community this summer.

- In response to recent changes in naloxone supply availability, staff are bolstering existing partnerships and relationships to facilitate alternative access pathways to ensure continued naloxone access. Community demand for overdose prevention resources remains high, and efforts are focused on maintaining access through novel avenues, funding mechanisms, and partnerships.

Partnerships | Objective 1.2: Work in collaboration with community partners to enhance shared knowledge and service access for priority populations. **(Status: Work in Progress)**

Health-Related Social Needs Focus

- Staff continue to strengthen relationships with the transportation and housing sectors to better understand the landscape and current priorities within our community.
- A project is in early planning stages, with a focus on how the historical context of Fort Collins continues to impact health outcomes and access to resources. This initiative seeks to address long-standing disparities through both a public health and equity lens.

Partnerships | Objective 2.3: Cultivate partnerships with organizations that represent and support the interests of priority populations and health-related social needs. **(Status: Work in Progress)**

Outreach & Education

- A Therapist Network & Training (TNT) event, designed to support local behavioral health providers through continuing education, networking, and access to resources will be held on May 21st. This event will focus on the topic of peer support, highlighting local peer support organizations. This collaborative event is being implemented in partnership with the Health Services team and the Mental Health Connections program. Staff will create a process to integrate both the Mental Health Connections team and community feedback into designing these events.
- Staff are contributing to the planning and implementation of the City of Fort Collins' Juneteenth celebration. Additionally, an internal Juneteenth Day of Service is being organized for Health District staff, reinforcing the organization's commitment to health equity and community partnership. Health District staff will be able to donate blood, participate in cleaning up the local parks, natural areas, Bristlecone Campus, or support the City of Fort Collins event.
- Outreach and Education staff supported and attended outreach events, focusing on reaching underserved and underrepresented groups. Key events in April included the Autism Resource Fair, Project Homeless Connect, and The Salvation Army Resource Fair. Staff were also asked to present to several community partners and helped with the Larimer Health Connect Health Insurance Literacy Classes in April. The Outreach Team reached over 330 people in April through events, meetings, and presentations.

Organizational Excellence | Objective 3.1: Improve outreach to clients and Health District residents through providing diverse, effective, and inclusive outreach avenues. **(Status: Work in Progress)**

Health Equity| Objective 3.2: Enhance the visibility of Health District programs and services as a welcome resource for people with underrepresented identities. **(Status: Work in Progress)**

Staffing Update

- Both the Community Impact Team and Outreach & Education are fully staffed.

HEALTH EQUITY

Health Equity Strategic Plan

- Drafting of the 2025 Health Equity Strategic Plan continues to progress. Key findings from 3 health equity surveys and discovery sessions with teams, program managers, and the Executive Leadership Team are informing the content of the plan.

Health Equity | Objective 1.1: Enhance organizational capacity to advance health equity. **(Status: Work in Progress).**

Health Equity | Objective 3.1: Develop an organizational Health Equity Strategic Plan to transform systems, practices, and policies. **(Status: Work in Progress)**

Other Cross-Functional Collaboration

- The Health Equity Action Team (HEAT), an organizational health equity workgroup with cross-team representation, has begun meeting and working to identify root causes of internal health equity communication barriers. The goal of this group is to involve staff in advancing health equity by creating a collaborative, flexible framework for participation that fosters inclusivity, aligns with strategic plan goals, and supports actionable solutions.

Health Equity | Goal 2: Cultivate an environment in which diverse thought and experience is welcomed, and staff knowledge of and commitment to equity is invested in. **(Status: Work in Progress)**

POLICY

- April marked the conclusion of Colorado's budget process, with the Long Bill (SB25-206) passing both chambers following extensive negotiations and adjustments. The Governor signed the state budget at the end of the month. As the General Assembly approaches adjournment on May 7, more than 200 bills remained under consideration at the close of April.
- Of the bills the Health District has taken positions on, all are now awaiting action from the Governor—except for two. HB25-1002, the mental health parity bill, has already been signed into law. SB25-017, which supports early childhood programs, remains in committee and has undergone significant amendments.
- An end of session report will be provided to the Board in June.

Great Governance | Strategy 3.2.1: Assess local, state, and federal policies impacting the health of Health District residents and organizational operations. **(Status: Work in Progress)**

Staff Summary

- Employment offers have been accepted for both the Budget Analyst and Accountant – Accounts Receivable Accountant positions. The Accounts Receivable Accountant is planned to begin employment toward the end of May and the Budget Analyst will by early June.
- Financial consultant continues to provide support with operations.

Organizational Excellence | Strategy 1.4: Attract and employ diverse and highly qualified staff, retain staff through development and growth opportunities, and promote staff to address increasingly complex challenges.

Organizational Excellence | Strategy 2.1.1: Assess operational functions of enabling services and programs.

Organizational Excellence | Strategy 2.1.2: Develop operational plans to enhance efficiency.

Looking forward:

- Finance is continuing to work in tandem with the Controller/Chief Financial Officer (CFO) from Your Part-Time Controller (YPTC) providing financial oversight.
- YPTC Controller/CFO, is continuing work in the following areas:
  - Assessing processes
  - Creation of financial reports
  - Internal control processes
  - Creation of Policies and Procedures

Great Governance| Goal 2: Strengthen financial management and infrastructure to enable the delivery of high-quality services and support continuity of operations. **(Status: Work in Progress)**

Great Governance | Strategy 2.1: Implement best practices to support fiscal sustainability and asset management. **(Status: Work in Progress)**

- The 2024 Audit was prepared for Board review.

Great Governance | Strategy 2.2: Promote fiscal sustainability, transparency, compliance, and best practices concerning all budgetary, financial, and regulatory standards. **(Status: Work in Progress)**

Organizational Excellence | Strategy 2.1.1: Assess operational functions of enabling services and programs.

- The finance team continues to implement the initial planning phase of implementation for cloud-based Oracle NetSuite Financial Accounting System and are working to finalize system design.

Organizational Excellence | Strategy 2.2.2: Update financial system, including technologies, policies, processes, and an Internal Controls Examination.

Great Governance | Strategy 2.2: Promote fiscal sustainability, transparency, compliance, and best practices concerning all budgetary, financial, and regulatory standards. **(Status: Work in Progress)**

Staff Summary

- HR are working to onboard a Dental Front Office Supervisor and an Accounts Receivable Accountant. Additionally, offers have been extended to fill the Budget Analyst and the PRN Dental Hygienist positions.
- The District entered into a contract with a Nurse Practitioner in order to meet the needs of youth in our CAYAC program.
- As of May 7th, four open positions were posted.

Organizational Excellence | Strategy 1.3.1: Assess and enhance the existing HR lifecycle

Organizational Excellence | Strategy 1.4: Attract and employ diverse and highly qualified staff, retain staff through development and growth opportunities, and promote staff to address increasingly complex challenges.

Looking forward

- UKG implementation is under way and will provide a Human Resources Information System (HRIS)/Capital Management (HCM) system. Training tools for staff have been provided and HR will attend program individual team meetings to offer additional training support. The “Go Live” is planned for mid-May to allow for additional testing and parallel payrolls are being administered to ensure system accuracy.

Organizational Excellence | Strategy 2.3.1: Deploy a modernized IT infrastructure that enables seamless access to information and resources.

Organizational Excellence | Strategy 1.4.3: Develop the infrastructure and processes to track and monitor the training and development provided.

- Training opportunities for staff are being assessed. (Examples: Customer service, CPR, AED, etc.)
- This month’s Management Academy presentation was delivered by outside consultant, Todd Stanson. Mr. Stanson took a deep dive into “Challenging Conversations”, where managers had the opportunity to prepare conversations related to current work scenarios.

Organizational Excellence | Strategy 1.4.1: Assess and identify training and professional development needs based on input and feedback from staff.

Organizational Excellence | Strategy 1.4.2: Provide high-quality, year-round staff development and leadership training across all levels of the organization.

- Collaborative work continues with the organization’s Health Equity Strategist to ensure the District is applying equity to our HRIS system design, job postings, and hiring processes. An HR team member will also participate in the Health Equity Action Team (HEAT as a liaison for the department.

Health Equity | Strategy 2.1: Integrate values of equity, diversity, inclusion, and justice (EDIJ) in Health District operations, practices, and partnerships.

Organizational Excellence | Strategy 1.3: Be an employer of choice in Larimer County by integrating an "excellence and equity lens into all employment process and the HR lifecycle. Assess and enhance the existing HR lifecycle.

- HR has contracted with a consultant to assess and revise the current employee handbook and HR Policies. A majority of current HR policies are outdated, which may be influencing current recruitment and retention efforts.

Organizational Excellence | Objective 2.1: Audit and update processes and workflows among programs, services, and enabling functions.

Staff Summary

Facilities

- The team has an 90% completion rate as 26 of 29 work orders submitted, through MaintainX, in the past 30 days were completed.

  Organizational Excellence | Strategy 2.3.4: Leverage analytic technology to support enhanced data-driven decision-making and operations.

- Facilities spent significant time dedicated to preparing for and supporting facility needs and logistics for the May Health District Board of Directors Election, including:
  - Setup and cleanup of 2 onsite offices
  - Setup and cleanup of 2 polling locations
  - Setup and cleanup of Dominion computer equipment and systems
  - Setup and cleanup of voting booths

  Organizational Excellence | Strategy 2.4: Strengthen facilities and infrastructure management to enable the delivery of high-quality services and support the continuity of operations.

- Facilities was able to successfully repair Dental Operatory C, after dental repair vendors had previously determined it was unrepairable.
- Facilities continues to support facility planning and office moves to support the centralized client campus.
- Facilities received and completed multiple requests from our Tenants at 425 Mulberry.

  Organizational Excellence | Strategy 2.4: Strengthen facilities and infrastructure management to enable the delivery of high-quality services and support the continuity of operations.

Information Technology (IT)

- Facilities continues to work with ICC for IT consulting and support needs.
  - A total of 119 IT work orders were received from staff in the past 30 days.
- ICC assisted with Board Election:
  - 5 programmed laptops
  - 2 Wi-Fi hotspots
  - 1 Camera installed

Organizational Excellence | Strategy 2.3 Strengthen IT management and infrastructure to enable the delivery of high-quality services and support the continuity of operations.

Organizational Excellence | Strategy 2.2:1 Deploy a modernized IT infrastructure that enables seamless access to information and resources.

Organizational Excellence | Strategy 2.3.4: Leverage analytic technology to support enhanced data-driven decision-making and operations.

Staff Summary

- *As one of our foundational projects beginning in January 2025, Communications underwent a comprehensive brand audit, which was difficult because any previous audits (if they had been performed) and returns on investments or assessment of asset effectiveness hadn't been documented.*
- An extensive rebranding is underway as one of our principal projects. This refocus is integral to the community's understanding of the benefits available to them through the Health District. This new direction if guided by inside-out communications to help existing and potential clients gain awareness and a better understanding of how they can access our services. It's essentially communicating a potential solution to their health issues vs. the previous approach of communicating what the organization wanted to say from an internal lens. In an attention economy, we've made this switch to ensure audience needs are the primary drivers of communications efforts.
- *Little data appears to have been tracked around internal and external communications, and marketing and advertising. The minimal information we found was outdated by almost a decade, incomplete and obsolete.*
- *In short, there was no communications infrastructure or application of best practices, and this underperformance severely limited the ability to promote the Health District successfully within the community.*
- *Going forward, it's critical that we make more targeted choices on marketing and advertising partners, contract partners and external and internal communications. It's also critical that we require quarterly ROI reports from vendors and perform accurate analytics work for more vigilant monitoring of impact.*
- Communications has begun work on creating paid media assets to leverage new branding, in conjunction with healthcare branding agency Heady & Hopp. Media assets include Meta story and image content, digital banners, print ads, digital billboard content, direct mail, and paid search copy.
- Communications initiated efforts to claim, correct and optimize Google Business profiles.
- Communications has also begun work to initiate pay-per-click advertising campaigns via Google Ads and Meta platforms. These search-based advertisements aim to connect people directly to Health District services.

Great Governance | Strategy 3.3.1: Update communications and brand standards. **(Status: Work in Progress)**

Organizational Excellence | Objective 3.1.1: Evaluate existing outreach efforts and effectiveness to identify needs and opportunities. **(Status: Work in Progress)**

Organizational Excellence | Objective 3.1.3: Develop a comprehensive communication strategy to be executed in 2025 **(Status: Work in Progress)**

- Communications collaboratively worked to best understand the organization's core identity and differentiators. As a result, Hedy & Hopp provided three distinct visual identity directions with sample logo treatments, color palettes and typography. After gathering feedback across teams, we have selected a new logo identity. Comprehensive brand guidelines are currently in development to guide the organization's visual identity and help internal and external audiences effectively apply the new branding consistently.

Great Governance | Strategy 3.3.1: Update communications and brand standards. **(Status: Work in Progress)**

Organizational Excellence | Objective 3.1.1: Evaluate existing outreach efforts and effectiveness to identify needs and opportunities **(Status: Work in Progress)**

Organizational Excellence | Objective 3.1.3: Develop a comprehensive communication strategy to be executed in 2025 **(Status: Work in Progress)**

- *Main parts of infrastructure, such as our website tech stacks, are currently complicated, inaccessible and running on an outdated content management system. The lack of shared knowledge around the site led to security risks. The hosting and management of the website involved numerous vendors, which also presented security risks, overall complexities around the back end, and ultimately greater financial expense.*
- Moving forward, we have selected a new website vendor that can create an intuitive website, while handling hosting and management as one entity.
- *This upgrade is necessary, as our current website requires significant updates that can't be supported by the current vendor. These changes are critical to meeting compliance requirements and aligning with current best practice website standards.*
- Forty-seven vendors submitted proposals to an RFP for a new website as part of brand repositioning. We have evaluated each proposal for scopes of work prioritizing user experience (UX), intuitive site architecture, modern visual elements and WCAG 2.1AA accessibility standards.
- Communications finalized marketing and communications work for comprehensive coverage of the Board election and opportunities for greater public participation. Efforts included social media, all-district postcards, broadcast emails, radio spots, print advertising, digital advertising, signage, election FAQs online and media interviews.

Great Governance | Strategy 3.1.3: Provide timely and accessible information through multiple channels to enhance engagement and reach priority populations and the broader community. **(Status: Work in Progress)**

Organizational Excellence | Objective 3.1: Improve outreach to clients and Health District residents through providing diverse, effective and inclusive outreach avenues. **(Status: Work in Progress)**

Organizational Excellence | Objective 3.1.3: Develop a comprehensive communication strategy to be executed in 2025 **(Status: Work in Progress)**

Health District
OF NORTHERN LARIMER COUNTY

AGENDA DOCUMENTATION

Meeting Date: May 22, 2025

SUBJECT: Board Members Oaths of Office

PRESENTER: Katie Wheeler

OUTCOME REQUESTED: __x__ Decision _____Consent ____Report

PURPOSE/BACKGROUND

In accordance with C.R.S. 32-1-901: Each Director, within 30 days after election or appointment shall take an oath or affirmation of faithful performance.

Attachment(s):

None

FISCAL IMPACT

None

STAFF RECOMMENDATION:

N/A

Health District
OF NORTHERN LARIMER COUNTY

AGENDA DOCUMENTATION

Meeting Date: May 22, 2025

SUBJECT: Board Officer Elections

PRESENTER: Board of Directors

OUTCOME REQUESTED: __x__ Decision _____Consent ____Report

PURPOSE/BACKGROUND

In reference to Health District of Northern Larimer County Board of Directors Bylaws, **Article V Section 1. Officers.:** The officers of the Health District shall be the President of the Board, Vice President of the Board, a Secretary, a Treasurer, a liaison between the Health District Board of Directors and Poudre Valley Health Care, Inc. Board of Directors, and such other officers as may be appointed in accordance with the provisions of this Article. The Board of Directors may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurer as it shall deem desirable; such officers have the authority to perform the duties prescribed time to time by the Board of Directors. The President, Vice President, Treasurer, and Liaison to PVHC, Inc. shall be members of the Board. The Secretary may be a member of the Board. The Secretary and Treasurer may be one person; but, if such is the case, that person shall be a member of the Board. (C.R.S. 32-1-901(1)).

In reference to Health District of Northern Larimer County Board of Directors Bylaws, **Article V, Section 2: Election and Term of Offices:** The officers of the Health District shall be elected by the Board of Directors at the first regular meeting of the Board following each biennial election of directors. If the election of officers is not held at such meeting, such election shall be held as soon thereafter as is convenient. New officers may be created and filled at any meeting of the Board of Directors. Each officer shall hold office for two) 2 years until the next biennial election when the Board shall reorganize, and until their successor has been duly elected and qualified to serve.

Attachment(s): *Health District Bylaws April 2016*

FISCAL IMPACT

None

STAFF RECOMMENDATION

None

Health District
OF NORTHERN LARIMER COUNTY

BYLAWS

OF THE HEALTH DISTRICT OF NORTHERN LARIMER COUNTY

ARTICLE I

PURPOSE/MISSION

Section 1. Purpose. The Health District of Northern Larimer County ("The Health District"), previously known as the Poudre Health Services District is a political subdivision of the State of Colorado, having all of the purposes set forth under the provisions of C.R.S. 32-1-1003, as amended from time to time. It is governed by an elected Board of Directors.

Section 2. Mission Statement. The mission of the Health District of Northern Larimer County is to improve our community's health status.

ARTICLE II

POWERS

Section 1. Common Powers. The Health District shall have all common powers granted to special statutory districts under the provisions of C.R.S. 32-1-1001, as amended from time to time.

Section 2. Special Powers. The Health District shall have all special powers granted to statutory health services districts under the provisions of C.R.S. 32-1-1003, as amended from time to time.

Section 3. Financial Powers. The Health District shall have all general and special financial powers granted to statutory health services districts under C.R.S. 32-1-1101, 1103, as amended from time to time.

Section 4. General Authority. The Health District shall have any and all other powers conferred by law.

ARTICLE III

OFFICES

Section 1. Principal Office. The principal office of the Health District shall be at 120 Bristlecone Drive, Fort Collins, Colorado 80524, or as changed from time to time by the board. This shall be the office location specified under the requirements of C.R.S. 32-1-904.

Section 2. Other Offices. The Health District may have other offices within or without the district as the Board of Directors may from time to time designate.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Powers and Duties. The Board of Directors shall have and exercise all powers conferred by law, and, particularly, to have all of the powers described in Article II of these Bylaws; to elect, appoint or employ officers, agents or other representatives; to determine their duties and salaries; to require security in such instances as the Board may determine; to determine who shall sign notes, checks, drafts, contracts, deeds, reports and other documents; to receive and pass upon reports of officers and agents; and to delegate all or a portion of the powers of the Board from time to time to the Chief Executive Officer or to standing or special committees of the Board.

Functions of the Board of Directors shall include, but not be limited to, the following:

a) To develop the mission and vision of the Health District and establish its values statement.

b) To develop ends and means policies, and review them annually.

c) To approve a strategic plan based on the mission, vision, strategy and values; and to review and evaluate the plan annually.

d) To provide management leadership by:
   Employing a qualified Chief Executive Officer
   Defining the Board-Executive Director relationship
   Establishing goals and objectives for the CEO based on the strategic plan
   Setting executive limitations
   Evaluating the CEO on an annual basis utilizing the goals and objectives

e) To fulfill fiduciary responsibility by:
Adopting the budget and monitoring financial performance
Setting the mill levy, within the parameters of the law
Taking precautions against risk
Assuring that any bond payments, if any, are timely made.
Investing district funds responsibly, in accordance with district policy

f) To fulfill legal and regulatory responsibilities of a special district.

g) To establish/amend Board process.

h) To evaluate the Board's performance on an annual basis and make corrections based on that evaluation.

i) To provide for Board continuing education and development of core competencies.

j) To hold an Annual Retreat, at which the mission, vision, strategy and values are reviewed.

k) To oversee the election process.

l) To provide orientation to newly elected board members.

m) To monitor compliance by all parties with the Hospital Operating Lease Agreement between the District and Poudre Valley Health System dated May 1, 1994, and to further provide that all property interests of the District are protected to the fullest extent.

n) To facilitate effective communication with staff, peers, community and media.

o) To represent the Health District in the community.

Section 2. Number and Qualifications. There shall be five (5) members of the Board of Directors who shall be qualified to serve under the provisions of C.R.S. 32-1-807, and shall have been duly elected to office in the manner provided by C.R.S. 32-1-801 through 807. Before entering upon their service as directors, each director shall take the oath and provide bond as required by C.R.S. 32-1-901.

Section 3. Term. A director shall hold office for a term of four (4) years, or as prescribed by law. Directors are limited to two (2) consecutive 4-year terms.

Section 4. Compensation. As allowed in C.R.S. 32-1-902, each director may receive compensation for their service in an amount not to exceed the sum allowable at the time they were elected. No director shall receive compensation as an employee of the Health District, other than that provided in this Section. Reimbursement of actual expenses for directors shall not be considered compensation.

Section 5. Conflict of Interest. Pursuant to the provisions of Article 18 of Title 24, C.R.S., a director shall disqualify himself from voting on, or attempting to influence any remaining directors regarding any issue in which the director has a conflict of interest. For this purpose, a "conflict of interest" means a personal pecuniary interest that is immediate, definite and capable of demonstration, and which is, or may be, in conflict with the public interest. It is not an interest which is remote, contingent or speculative. A potential conflict of interest exists when the director or the director's spouse or offspring is a director, president, general manager or similar executive officer of, or owns or controls, directly or indirectly, a substantial interest in any non-governmental entity participating in the transaction. Any vote of a director who has a conflict of interest as herein described shall be null and void as to the matter in which the conflict exists. The board retains the power, by a majority vote of the remaining members, to determine that a member of the board has a conflict of interest as to any matter, and thereafter to preclude said board member with the conflict of interest from voting on or otherwise participating in discussion relating to such matter.

Section 6. Vacancies. In accordance with the provisions of §32-1-405, C.R.S., a director's office shall be deemed to be vacant upon the occurrence of any one of the following events prior to the expiration of the term of office:

a) If for any reason a properly qualified person is not elected to a director's office by the electors as required at a regular election;

b) If a person who was duly elected or appointed fails, neglects or refuses to subscribe to an oath of office, or to furnish the bond in accordance with the provisions of C.R.S. 32-1-901;

c) If a person who was duly elected or appointed submits a written resignation to the Board;

d) If a person who was duly elected or appointed ceases to be qualified for the office to which they were elected;

e) If a person who was duly elected or appointed is convicted of a felony;

f) If a Court of competent jurisdiction voids the election or appointment, or removes the person duly elected or appointed for any cause whatsoever, but only after their right to appeal has been waived or otherwise exhausted.

g) If a person who was duly elected or appointed fails to attend three (3) consecutive regular meetings of the Board without the Board having entered upon its minutes an

approval for an additional absence or absences; except that such additional absence or absences shall be excused for temporary mental or physical disability or illness;

h) If a person who was duly elected or appointed dies during their term of office.

Any vacancy on the Board shall be filled by appointment by the remaining director or directors, the appointee to serve until the next regular election, at which time the vacancy shall be filled by election for any remaining unexpired portion of the term. If the Board fails, neglects or refuses to fill any vacancy within sixty (60) days after the same occurs, the Board of County Commissioners of Larimer County shall fill such vacancy. If there are no duly elected directors, and if the failure to appoint a new Board will result in the interruption of services that are being provided by the Health District, then the Board of County Commissioners of Larimer County may appoint directors. The Board appointed in this manner shall call a special election within six (6) months after their appointment, such special election to be held in accordance with the provisions of C.R.S. 32-1-802. (C.R.S. 32-1-905)

Section 7. Recall of Directors. Any director duly elected to the Board who has actually held their office for at least six (6) months may be recalled from office by the electors of the Health District in the manner provided by C.R.S. 32-1-906.

Section 8. Meetings.

a) **Meetings.** The Board shall hold meetings at least ten times per year.

b) **Special Meetings.** Special meetings and/or work sessions may be held as often as the needs of the Health District require, upon notice to each director, and shall be posted as required by law.

c) **Notice of Meetings.** Notice of time and place designated for all meetings shall be posted in at least three (3) public places within the limits of the district, and, in addition, one such notice shall be posted in the office of the County Clerk and Recorder of Larimer County. Such notices shall remain posted and shall be changed in the event that the time or place of such regular meetings is changed. (C.R.S. 32-1-903 (2))

d) **Open Meetings.** All official business of the Board of Directors shall be conducted only during regular or special meetings called in the manner herein provided at which a quorum (a majority of directors) is present, and all said meetings shall be open to the public. (C.R.S. 32-1-903 (2)). An executive session may only be called at a regular or special meeting of the Board (not at a study session) by an affirmative vote of two-thirds of the quorum present (C.R.S. 24-6-402(4)). The purpose of the executive session, per C.R.S. 24-6-402(4), should be cited on the meeting agenda, whenever possible, and reflected in the meeting minutes. The Board of Directors may meet in executive session only for the purposes, and subject to the limitations, expressed in C.R.S. 24-6-401 et seq.

ARTICLE V

OFFICERS OF THE HEALTH DISTRICT

Section 1. Officers. The officers of the Health District shall be the President of the Board, Vice President of the Board, a Secretary, a Treasurer, a liaison between the Health District Board of Directors and Poudre Valley Health Care, Inc. Board of Directors, and such other officers as may be appointed in accordance with the provisions of this Article. The Board of Directors may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers as it shall deem desirable; such officers to have the authority and perform the duties prescribed from time to time by the Board of Directors. The President, Vice President, Treasurer, and liaison to PVHC, Inc. shall be members of the Board. The Secretary may be a member of the Board. The Secretary and Treasurer may be one person; but, if such is the case, that person shall be a member of the Board. (C.R.S.32-1-902 (1).

Section 2. Election and Term of Office. The officers of the Health District shall be elected by the Board of Directors at the first regular meeting of the Board following each biennial election of directors. If the election of officers is not held at such meeting, such election shall be held as soon thereafter as is convenient. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office for two (2) years until the next biennial election when the Board shall reorganize, and until their successor has been duly elected and qualified to serve.

Section 3. Removal. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever, in its judgment, the best interests of the Health District would be served thereby.

Section 4. Vacancies. A vacancy in any officer position because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors in any lawfully held meeting of the Board.

Section 5. Powers and Duties. The several officers shall have such powers and perform such duties as may, from time to time, be specified in resolutions or other directives of the Board of Directors. In the absence of any such specifications, each officer shall have the powers and authority, and shall perform and discharge the duties of officers provided by law, and as herein set forth.

Section 6. President of the Board. The President shall preside at all meetings of the Board of Directors. The President is authorized to sign all bonds, deeds, mortgages, leases and contracts of the Health District. The President shall perform such other duties, which are commonly incident to their office, as are provided by law or are otherwise designated by the Board of Directors.

Section 7. Vice President. The Vice President shall preside at meetings of the Board of Directors and perform such other responsibilities and duties of the President in his/her absence.

Section 8. Secretary. The Secretary shall keep a record of all of the Board's proceedings, minutes of all meetings, certificates, contracts, bonds given by employees and all corporate acts which shall be open to inspection of all electors, as well as to all other interested parties. The Secretary shall perform such other duties as may be required by these bylaws, the President or the Board of Directors. (C.R.S. 32-1-902 (1))

Section 9. Treasurer. The Treasurer shall oversee that strict and accurate accounts are kept of all money received by and disbursed for and on behalf of the Health District in permanent records. The Treasurer shall oversee the filing with the Clerk of the Court, at the expense of the Health District, a corporate fidelity bond in an amount no less than the minimum amount provided by Colorado Statute. The Treasurer shall oversee the charge of all receipts and monies of the Health District, cause them to be deposited in the name of the Health District in a bank or banks approved by the Board of Directors, and disburse funds as ordered or authorized by the Board of Directors. The Treasurer shall oversee the keeping of regular accounts of their receipts and disbursements, submit their record when requested, and give an itemized statement at regular meetings of the Board of Directors. (C.R.S. 32-1-902 (2))

Section 10. Liaison Between Health District of Northern Larimer County Board of Directors and Poudre Valley Health System Board of Directors. The Board of Directors of the Health District will elect a representative from the elected members of the Health District Board to serve as an ex officio voting member of the Poudre Valley Health System Board, and as a liaison between the Health District and Poudre Valley Health System. The designee will normally have been a member of the Health District Board for at least two years prior to serving in this capacity. The term of the liaison position will normally be for two years. The general role of the liaison on the Poudre Valley Health System Board shall be to represent the interests of the residents of the Health District, representing the Health District mission, goals, and objectives; to monitor the various lease agreements between the Health District Board, the Poudre Valley Health System Board, and University of Colorado Health (JOC); and to perform the normal duties of a Poudre Valley Health System Board member. The specific responsibilities of the Liaison shall be set forth in a written job description developed by the Health District Board of Directors.

In the event that no currently elected Health District Board member is appropriate or available to fulfill the role of the liaison (due to not enough experience as a Health District board member, a conflict of interest, and/or not enough time), the currently elected Board may choose to temporarily appoint an individual who has previously been elected to and served on the Health District Board (for a period of at least two years) within the past six years. The term of such appointment would be at the pleasure of the currently elected Board – for example, until the currently elected Board chooses either a currently elected Board member or a different prior Board Member – but in no case would be longer than two years. If a prior Board member accepts such an appointment, their acceptance signifies their commitment to attending both Health District and PVHS Board meetings on a regular basis and appropriately conveying information between the two boards.

Section 11. Assistant Secretaries and Treasurers. The Board of Directors may appoint one or more persons to serve as Assistant Secretaries or Treasurers with authority to perform such duties as are delegated by the Board of Directors.

Section 12. Chief Executive Officer. The Board of Directors may appoint and employ a Chief Executive Officer who shall, subject to the control of the Board of Directors, have general supervision, direction and control of the management services and administration of the Health District. The Executive Director shall, upon authorization of the Board of Directors, be authorized to sign any and all documents, including without limitation deeds, bonds, mortgages, leases and contracts of the District. The Executive Director shall supervise the faithful completion by members of the District staff of the tasks of the Secretary and the Treasurer as described in Sections 8 and 9 of this Article V. The Executive Director of the District shall be the Chief Executive Officer and Chief Operating Officer of the District. The specific responsibilities and authority of the Chief Executive Officer shall be set forth in a written job description to be developed by the Board of Directors.

ARTICLE VI

COMMITTEES

Section 1. Committees. The Board of Directors may, from time to time, establish such standing committees or special committees, as are necessary or desirable to carry on the business of the Health District. Unless otherwise provided by law or these bylaws, the President shall appoint the chairs of all committees. All committees shall keep a written record of minutes of all meetings.

ARTICLE VII

POLICIES

Such policies as may be necessary for the proper conduct of management and administrative services for the Health District shall be adopted. All policies, when adopted by the Board of Directors, may be amended at any regular meeting without previous notice by a majority vote of the Board, such amendments to become effective upon adoption.

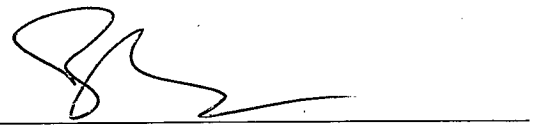
ARTICLE VIII

These bylaws may be amended after notice at any regular meeting of the Board of Directors of the Health District of Northern Larimer County. Such notice shall contain the substance of the proposed amendment in the notice of meeting. Amendments to these bylaws require approval by at least four of the five board members.

ARTICLE IX

ADOPTION

These bylaws shall constitute an entire restatement of the bylaws of the Health District, and are adopted at the regular meeting of the Board held this 26th day of April 2016, and shall become effective at once.



Bernard J. Birnbaum, M.D.
President of the Board

Health District
OF NORTHERN LARIMER COUNTY

AGENDA DOCUMENTATION

Meeting Date: May 22, 2025

SUBJECT: 2025 Board of Directors Orientation, Strategic Planning & Budgeting Timeline

PRESENTER: Liane Jollon

OUTCOME REQUESTED: ____ Decision ____Consent __x__Report

PURPOSE

In reference to Health District of Northern Larimer County Board of Directors Bylaws (Article IV, Section 1.C) outlines: *"Functions of the Board of Directors shall include, but not be limited to, the following: … To approve a strategic plan based on the mission, vision, strategy, and values; and to review and evaluate the plan annually."*

BACKGROUND

In preparation for the Board of Directors organizational strategic planning retreat in June, Health District leadership are facilitating the alignment of board orientation, strategic planning and budgeting timelines throughout 2025.

Health District leadership will facilitate ongoing Board visibility into timelines and processes.

The expected final output is a 2026 budget that reflect the Board's strategic vision.

Attachment(s): None

FISCAL IMPACT

None

STAFF RECOMMENDATION

None