



FINANCIAL STATEMENTS

Years Ended December 31, 2020 and 2019



TABLE OF CONTENTS

Independent Auditors' Report	2
Management's Discussion and Analysis	4
STATEMENTS OF NET POSITION	9
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION.....	10
STATEMENTS OF CASH FLOWS	11
NOTES TO FINANCIAL STATEMENTS.....	12
SUPPLEMENTARY INFORMATION	18



Independent Auditors' Report

Board of Directors
Thompson Valley Health Services District
Loveland, Colorado

We have audited the accompanying basic financial statements of the Thompson Valley Health Services District as of and for the years ended December 31, 2020 and 2019, as listed in the table of contents and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Thompson Valley Health Services District as of December 31, 2020 and 2019, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

Other Matters

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of revenues, expenses and changes in fund net position-budget to actual is presented for purposes of additional analysis and is not a required part of the basic financial statements of the District. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Accounting principles generally accepted in the United States require that management discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Anderson & Whitney, P.C.

July 26, 2021

THOMPSON VALLEY HEALTH SERVICES DISTRICT

c/o TVEMS

4480 Clydesdale Parkway - Loveland, Colorado 80538

Phone (970) 663-6025

A Special Colorado Health Services District

Serving Southern Larimer County Since 1968

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the report provides readers with a narrative overview and analysis of the financial activities of the Thompson Valley Health Services District (the District or TVHSD) for the year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with the basic financial statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

- * TVHSD's assets exceeded liabilities and deferred inflows by \$7.4 million at December 31, 2020. Of this amount, \$231,865 is reserved for debt service.
- * The December 31, 2020 net position is \$24,250 less than the previous year.
- * Reimbursement for ambulance operations continues to be primarily from insurance companies, Medicare, Medicaid, and private pay patients. Reimbursements collected decreased approximately 1% in 2020. Ambulance calls which were billed were approximately 10,280 in 2020 and 9,948 in 2019.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Statements of net position at December 31, 2020 and 2019 present all of the District's assets and liabilities, with the difference reported as net position. Over time, increases and decreases in net position would provide an indication of whether the District's financial position is improving or deteriorating.

Statements of revenue, expenses, and changes in fund net position present TVHSD revenue and expenses for the years ended December 31, 2020 and 2019.

Statements of cash flows show the net cash flows from activities for the years ended December 31, 2020 and 2019.

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

These statements provide a snapshot of TVHSD’s assets, liabilities and deferred inflows as of December 31, 2020 and 2019 and the activities which occurred during those years. All statements were prepared using the accrual basis of accounting as required by GASB. These statements are on pages 8 through 10.

Notes to financial statements provide additional information which is essential to a full understanding of the basic financial statements. The notes to the financial statements can be found on pages 11 through 17 of this report.

Budgetary comparison shows the TVHSD annual appropriated budget. A budgetary comparison statement has been provided on page 18 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. As of December 31, 2020, assets exceeded liabilities and deferred inflows by \$7,344,362.

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

December 31	2020	2019
Assets:		
Current and other assets	\$9,231,544	\$9,369,689
Capital assets (net)	5,361,129	5,526,935
Total Assets	14,592,673	14,896,624
Liabilities:		
Current liabilities	679,422	762,595
Long-term liabilities	2,707,639	2,788,383
Total Liabilities	3,387,061	3,550,978
Deferred Inflows of Resources:		
Deferred Property Taxes	3,861,250	3,977,034
Net Position:		
Net investment in capital assets	2,568,490	2,658,552
Restricted – debt service	231,865	234,318
Restricted – emergencies	123,190	102,984
Unrestricted	4,420,817	4,372,758
Total Net Position	\$ 7,344,362	\$ 7,368,612

A portion of TVHSD’s net position represents unrestricted net position of \$4,420,817 which may be used to meet the District’s ongoing obligations to citizens.

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

An additional \$355,055 of the District's net position represents resources that are subject to external restriction on how they may be used. Included in this category is the debt service reserve and TABOR emergency reserve.

The following table indicates the changes in net position:

	2020	2019
Revenue:		
Operating revenues:		
Net patient services	\$ 4,705,310	\$ 4,745,539
Other	88,810	39,590
General revenue:		
Property and S.O. taxes	4,106,319	3,432,791
Grants	150,951	185,302
CO EMS supplemental	(182,437)	1,016,756
Investment earnings	51,634	56,024
Total Revenue	8,920,587	9,476,002
Expenses:		
Operations	8,301,744	7,672,099
Depreciation	496,886	420,196
Interest	146,207	143,355
Total Expenses	8,944,837	8,235,650
Increase (Decrease) in Net Position	\$ (24,250)	\$ 1,240,352

Business-Type Activities. Business-type activities decreased TVHSD's net position by \$24,250 in 2020. Key elements of this change are as follows:

- * Total revenues were approximately 6% less as compared to 2019. This decrease is primarily due the Colorado EMS supplemental payment received in 2019.
- * Expenses were approximately \$8.9 million, 8% more than 2019. The increase is due primarily to the increase in bad debt expense.

BUDGETARY HIGHLIGHTS

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

Year Ended December 31, 2020	Budget	Actual
Beginning Fund Net Position	\$7,368,612	\$7,368,612
Revenue	9,195,859	8,985,744
Expenses	9,558,972	9,009,994
Ending Fund Net Position – Budget Basis	\$7,005,499	\$7,344,362

CAPITAL ASSET ADMINISTRATION

Capital Assets. TVHSD's investment in capital assets for its business-type activities as of December 31, 2020, totals \$5,361,129 (net of accumulated depreciation). This investment includes all land, buildings, equipment, and vehicles. The total decrease in capital assets for 2020 was \$165,806, due to vehicle and equipment purchases being less than depreciation for the year.

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

DEBT ADMINISTRATION

Long-term Debt. At December 31, 2020, the District had \$2,840,000 from certificates of participation, funded from property taxes and patient services. This debt was entered into in 2010 for the purpose of constructing a new ambulance station headquarters, maintenance garage, and crew facilities on Clydesdale Parkway in Loveland.

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

OTHER MATTERS

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

- Additional reductions in ambulance reimbursement rates are anticipated. Medicare rates have decreased and private insurance carriers have decreased their reimbursements similarly.

REQUESTS FOR INFORMATION

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

THOMPSON VALLEY HEALTH SERVICES DISTRICT

STATEMENTS OF NET POSITION

December 31	2020	2019
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 4,466,730	\$ 4,351,370
Patient accounts receivable, net	529,481	665,308
Property taxes receivable	3,861,250	3,977,034
Prepaid items	142,217	141,659
Total Current Assets	8,999,678	9,135,371
Restricted Assets:		
Cash with fiscal agent	231,866	234,318
Capital Assets:		
Land	868,576	868,576
Depreciable Assets	9,405,649	9,151,159
	10,274,225	10,019,735
Less: Accumulated depreciation	(4,913,096)	(4,492,800)
Total Capital Assets	5,361,129	5,526,935
TOTAL ASSETS	\$ 14,592,673	\$ 14,896,624
LIABILITIES		
Current Liabilities:		
Accounts payable	\$ 17,965	\$ 189,603
Accrued expenses	576,457	492,992
Lease and COP's - current portion	85,000	80,000
Total Current Liabilities	679,422	762,595
Certificates of participation	2,707,639	2,788,383
Total Liabilities	3,387,061	3,550,978
DEFERRED INFLOWS OF RESOURCES		
Deferred Property Taxes	3,861,250	3,977,034
NET POSITION		
Investment in Capital Assets	2,568,490	2,658,552
Restricted - debt service	231,865	234,318
Restricted - emergencies	123,190	102,984
Unrestricted	4,420,817	4,372,758
TOTAL NET POSITION	\$ 7,344,362	\$ 7,368,612

See Accompanying Notes to Financial Statements.

THOMPSON VALLEY HEALTH SERVICES DISTRICT

STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION

Years Ended December 31	2020	2019
Operating Revenue:		
Net patient service revenue	\$ 4,705,310	\$ 4,745,539
Other	88,810	39,590
Total Operating Revenue	4,794,120	4,785,129
Operating Expenses:		
Salaries and benefits	6,193,338	5,726,141
Ambulance service operations	930,045	881,453
Plant operations	167,270	165,164
Bad debt expense	713,238	639,313
Professional fees and insurance	193,515	126,398
Public relations	4,223	25,509
Administration	24,048	20,469
County Treasurer's fee	76,067	62,909
Depreciation	496,886	420,196
Total Operating Expenses	8,798,630	8,067,552
Operating Loss	(4,004,510)	(3,282,423)
Nonoperating Revenue (Expenses):		
Property taxes	4,106,319	3,432,791
Grant revenues	216,106	185,302
Grant expenses	(65,155)	(24,743)
CO EMS supplemental revenue	(182,437)	1,016,756
Contributions	-	-
Interest income	51,634	56,024
Interest expense	(146,207)	(143,355)
Net Nonoperating Revenue	3,980,260	4,522,775
Net Income (loss)	(24,250)	1,240,352
Net Position, Beginning of Year	7,368,612	6,128,260
Net Position, End of Year	\$ 7,344,362	\$ 7,368,612

See Accompanying Notes to Financial Statements.

THOMPSON VALLEY HEALTH SERVICES DISTRICT

STATEMENTS OF CASH FLOWS

Years Ended December 31	2020	2019
Cash Flows from Operating Activities:		
Cash received:		
From customers	\$ 4,216,709	\$ 4,037,857
Cash payments:		
To suppliers for goods and services	(1,479,191)	(1,371,802)
To employees	(6,193,338)	(5,726,141)
Net Cash Used by Operating Activities	(3,455,820)	(3,060,086)
Cash Flows from Non-Capital Financing Activities:		
Property taxes	4,106,319	3,432,791
CO EMS Supplemental Revenue	(182,437)	1,016,756
Net Cash Provided by Non-Capital Financing Activities	3,923,882	4,449,547
Cash Flows from Capital and Related Financing Activities:		
Acquisition of equipment and improvements	(331,739)	(307,758)
Proceeds of sale of equipment	-	-
Payments on COP's and leases	(226,000)	(224,750)
Grants received, net	150,951	160,559
Net Cash Used by Capital and Related Financing Activities	(406,788)	(371,949)
Cash Flows from Investing Activities:		
Interest on bank deposits	51,634	56,024
Net Increase (Decrease) in Cash	112,908	1,073,536
Cash, beginning of year	4,585,688	3,512,152
Cash, end of year	\$ 4,698,596	\$ 4,585,688

Reconciliation of Operating Loss to Net Cash Used by Operating Activities:

Operating income (loss)	\$ (4,004,510)	\$ (3,282,423)
Depreciation and amortization	496,886	420,196
Change in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	135,827	(89,329)
Prepaid items	(558)	(29,407)
Increase (decrease) in:		
Accounts payable	-	-
Accrued liabilities	(83,465)	(60,493)
Deferred revenue	-	(18,630)
Net Cash Used by Operating Activities	\$ (3,455,820)	\$ (3,060,086)

See Accompanying Notes to Financial Statements.

THOMPSON VALLEY HEALTH SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies:

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

Organization:

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

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

Basis of Presentation:

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

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

THOMPSON VALLEY HEALTH SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Basis of Presentation – Continued:

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

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

Accounting Method:

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

Accounts Receivable:

The District records revenue from ambulance services at standard rates less expected provider contractual adjustments. Receivables are reported net of an allowance for uncollectible accounts. The allowance for uncollectible accounts netted against accounts receivable was \$296,902 and \$288,870 at December 31, 2020 and 2019, respectively.

The federal Medicare and Colorado Medicaid programs provide approximately 6% of the District's net patient service revenue.

Property and Equipment:

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

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

THOMPSON VALLEY HEALTH SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Property and Equipment – Continued:

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

Budget:

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

The Board is authorized to transfer budgeted amounts within departments of each fund. Any revisions that alter the total appropriation for each department must be approved by the Board through a supplemental appropriation resolution. The budget was not amended in 2019.

Compensated Absences:

Employees receive paid time off which can accumulate to specified maximum levels. An accrual of liability is made at year-end and is reported in accrued expenses.

Property Taxes:

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

Property tax revenue is reported net of property tax abatements for the year ended December 31, 2020. Numerous tax increment financing districts have been established by municipalities in the District.

THOMPSON VALLEY HEALTH SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Statement of Cash Flows:

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

Use of Estimates:

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

NOTE 2 - Cash and Investments:

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

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

NOTE 3 – Changes in Capital Assets:

	Balance, 1/1/20	Additions	Deletions/ transfers	Balance, 12/31/20
Land	\$ 868,576	\$ --	\$ --	\$ 868,576
Ambulance stations	4,164,024	26,150	--	4,190,174
Vehicles	2,285,330	202,966	78,553	2,409,743
Mobile equipment	1,920,089	35,591	--	1,955,660
Furnishings	781,716	94,506	26,150	850,072
Total Cost	10,019,735	359,193	104,703	10,274,225
Less Accumulated Depreciation:				
Ambulance stations	1,278,804	110,271	--	1,389,075
Vehicles	1,059,556	207,237	76,590	1,190,203
Mobile equipment	1,524,172	139,735	--	1,663,907
Furnishings	630,268	39,643	--	669,911
Total Accumulated Depreciation	4,492,800	496,886	76,590	4,913,096
Capital Assets, Net	\$ 5,526,935	\$ (137,693)	\$ 28,113	\$5,361,129

THOMPSON VALLEY HEALTH SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – Changes in Capital Assets– Continued:

	Balance, 1/1/19	Additions	Deletions	Balance, 12/31/19
Land	\$ 868,576	\$ --	\$ --	\$ 868,576
Ambulance stations	4,190,174	--	26,150	4,164,024
Vehicles	1,900,407	384,923	--	2,285,330
Mobile equipment	1,804,409	115,680	--	1,920,089
Furnishings	646,834	140,177	5,295	781,716
Total Cost	9,410,400	640,780	31,445	10,019,735
Less Accumulated Depreciation:				
Ambulance stations	1,174,400	106,583	2,179	1,278,804
Vehicles	891,034	168,522	--	1,059,556
Mobile equipment	1,398,705	125,467	--	1,524,172
Furnishings	616,110	14,158	--	630,268
Total Accumulated Depreciation	4,080,249	414,730	2,179	4,492,800
Capital Assets, Net	\$ 5,330,151	\$ 226,050	\$ 29,266	\$ 5,526,935

NOTE 4 – Long Term Liabilities:

December 31	2020	2019
\$3,500,000 certificates of participation – 2011, due in varying installments through December 2040, interest at 5.0%	\$ 2,840,000	\$ 2,920,000
Discount	(49,267)	(51,617)
	\$ 2,790,733	\$ 2,868,383

THOMPSON VALLEY HEALTH SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – Long Term Liabilities – Continued:

The annual requirements to repay these certificates as of December 31, 2020, are as follows:

Years Ending December 31	Principal	Interest	Total
2021	\$ 85,000	\$ 142,000	\$ 227,000
2022	90,000	137,750	227,750
2023	95,000	133,250	228,250
2024	100,000	128,500	228,500
2025-2029	575,000	562,500	1,137,500
2030-2034	730,000	404,500	1,134,500
2035-2039	945,000	201,500	1,146,500
2040	220,000	11,000	231,000
	<u>\$2,840,000</u>	<u>\$1,721,000</u>	<u>\$4,561,000</u>

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

	Balance, 1/01/20	Additions	Deletions	Balance, 12/31/20	Due Within One Year
COP's	\$ 2,920,000	\$ --	\$80,000	\$ 2,840,000	\$ 85,000
Discount	(51,617)	--	(2,350)	(49,267)	--
Total	\$ 2,868,383	\$ --	\$77,650	\$ 2,790,733	\$ 85,000

NOTE 5 – Deferred Compensation Plan:

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administrated by Empower Retirement. The District has the authority to establish and amend the plan provisions. The plan, available to all full-time District employees, permits them to defer a portion of their salaries until future years. All amounts of compensation deferred; all property and rights purchased; and all income, property or rights are (until paid or made available to the employee or other beneficiary) held in trust for the exclusive benefit of the participants and their beneficiaries. The District also contributes to the Section 457 deferred compensation plan. Employees contributed \$192,551 and \$185,637 for the years ended December 31, 2020 and 2019, respectively, and the District contributed \$162,835 and \$118,946 for the years ended December 31, 2020 and 2019, respectively.

THOMPSON VALLEY HEALTH SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 6 – Retirement Plan:

The District's retirement plan is administrated by Empower Retirement. The Plan is a defined contribution retirement plan, which provides retirement benefits for all full-time permanent employees. The District has the authority to establish and amend the plan provisions. The District contributed \$88,078 and \$108,713 for the years ended December 31, 2020 and 2019, respectively, equal to 3.0% of the permanent full-time employees' gross salaries, who also had a 3.0% required contribution of \$88,078 and \$108,713, respectively. Employees become 33.3% vested in the District's contribution each full year of employment and become fully vested after three full years of employment. Forfeitures have not been material to the financial statements.

NOTE 7 – Commitments and Contingencies:

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

The District contracts with the City of Loveland for dispatch services. On December 28, 2010, the District signed a one-year contract with automatic renewal for one-year periods up to and including January 1, 2020. The commitment under the contract totaled \$246,272 and \$240,266 in 2020 and 2019, respectively. The renewal fee for each year is based on 102.5% of the prior year's amount.

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

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

THOMPSON VALLEY HEALTH SERVICES DISTRICT

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

Year Ended December 31, 2020	Actual	Final Budget	Variance
Operating Revenues:			
Gross patient service revenue	\$ 9,192,807	\$ 8,329,748	\$ 863,059
Contractual adjustments	(4,487,497)	(4,067,329)	(420,168)
Other revenue	88,810	37,750	51,060
Total Operating Revenues	4,794,120	4,300,169	493,951
Operating Expenses:			
Salaries and wages	6,193,338	6,686,848	493,510
Ambulance service operations	930,045	999,571	69,526
Plant operations	167,270	232,000	64,730
Bad debt expense	713,238	490,000	(223,238)
Professional fees and insurance	193,515	170,000	(23,515)
Public relations	4,223	34,000	29,777
Administration	24,048	32,750	8,702
County Treasurer's fee	76,067	79,303	3,236
Capital outlay	333,043	600,000	266,957
Total Operating Expenses	8,634,787	9,324,472	689,685
Operating Loss	(3,840,667)	(5,024,303)	1,183,636
Nonoperating Revenue (Expense):			
Property taxes	4,106,319	4,195,190	(88,871)
Grant revenues	216,106	170,000	46,106
Program/grant expense	(65,155)	(88,500)	23,345
CO EMS supplemental revenue	(182,437)	500,000	(682,437)
Interest expense	(143,621)	(146,000)	2,379
Gain (loss) on disposal of assets	-	15,000	(15,000)
Interest income	51,634	15,500	36,134
Total Nonoperating Revenue	3,982,846	4,661,190	(678,344)
Net Income (Loss), Non-GAAP Budget Basis	142,179	\$ (363,113)	\$ 505,292
Reconciliation of Revenue Over Expenditures To Changes in Net Position:			
Capital outlay	(333,043)		
Depreciation and amortization	499,472		
Net Income, GAAP Basis	\$ (24,250)		