



FINANCIAL STATEMENTS

Years Ended December 31, 2021 and 2020



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Independent Auditors' Report

Board of Directors
Thompson Valley Health Services District
Loveland, Colorado

Opinions

We have audited the accompanying financial statements of the business-type activities of the Thompson Valley Health Services District (the District) as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively compromise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Thompson Valley Health Services District as of December 31, 2021 and 2020, and the respective changes in financial position and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States require that management discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, 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.

Supplementary Information

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule on page 21 is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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.

Anderson & Whitney, P.C.

August 24, 2022

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, 2021. 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 \$9.0 million at December 31, 2021.
- * The December 31, 2021 net position is \$1,686,848 more than the previous year.
- * Reimbursement for ambulance operations continues to be primarily from insurance companies, Medicare, Medicaid, and private pay patients. Reimbursements collected increased approximately 24.6% in 2021. Ambulance calls which were billed were approximately 11,918 in 2021 and 10,280 in 2020.

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, 2021 and 2020 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, 2021 and 2020.

Statements of cash flows show the net cash flows from activities for the years ended December 31, 2021 and 2020.

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, 2021 and 2020 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 10 through 12.

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 13 through 19 of this report.

Budgetary comparison shows the TVHSD annual appropriated budget. A budgetary comparison statement has been provided on page 21 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, 2021, assets exceeded liabilities and deferred inflows by \$9,031,210.

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

December 31	2021	2020
Assets:		
Current and other assets	\$11,261,444	\$9,231,544
Capital assets (net)	5,274,884	5,361,129
Total Assets	16,536,328	14,592,673
Liabilities:		
Current liabilities	866,293	679,422
Long-term liabilities	2,500,687	2,707,639
Total Liabilities	3,366,980	3,387,061
Deferred Inflows of Resources:		
Deferred Property Taxes	4,138,138	3,861,250
Net Position:		
Net investment in capital assets	2,684,197	2,568,490
Restricted – debt service	-	231,865
Restricted – emergencies	130,904	123,190
Unrestricted	6,216,109	4,420,817
Total Net Position	\$ 9,031,210	\$ 7,344,362

A portion of TVHSD’s net position represents unrestricted net position of \$6,216,109 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 \$362,786 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:

	2021	2020
Revenue:		
Operating revenues:		
Net patient services	\$ 5,904,150	\$ 4,705,310
Other	71,279	88,810
General revenue:		
Property and S.O. taxes	4,363,459	4,106,319
Grants	185,657	150,951
CO EMS supplemental	802,702	(182,437)
Investment earnings	52,708	51,634
Total Revenue	11,379,955	8,920,587
Expenses:		
Operations	8,849,442	8,301,744
Depreciation	532,423	496,886
Interest	311,242	146,207
Total Expenses	9,693,107	8,944,837
Increase (Decrease) in Net Position	\$ 1,686,848	\$ (24,250)

Business-Type Activities. Business-type activities increased TVHSD's net position by \$1,686,848 in 2021. Key elements of this change are as follows:

- * Total revenues were approximately 27% more as compared to 2020. This increase is primarily due to increased patient services and the Colorado EMS supplemental payment received in 2021.
- * Expenses were approximately \$9.7 million, 8% more than 2020. The increase is due primarily to the increases in employee and general operating costs.

BUDGETARY HIGHLIGHTS

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

Year Ended December 31, 2021	Budget	Actual
Beginning Fund Net Position	\$ 7,344,362	\$ 7,344,362
Revenue	9,554,250	11,379,956
Expenses	10,874,348	9,606,865
Ending Fund Net Position – Budget Basis	\$ 6,024,264	\$ 9,117,453

CAPITAL ASSET ADMINISTRATION

Capital Assets. TVHSD's investment in capital assets for its business-type activities as of December 31, 2021, totals \$5,274,884 (net of accumulated depreciation). This investment includes all land, buildings, equipment, and vehicles. The total decrease in capital assets for 2021 was \$86,245, 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, 2021, the District had long-term debt of \$2,395,000 from certificates of participation, funded from property taxes and patient services. This debt was initially entered into in 2011 for the purpose of constructing a new ambulance station headquarters, maintenance garage, and crew facilities on Clydesdale Parkway in Loveland and refinanced in 2021 for a lower interest rate.

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	2021	2020
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 6,083,628	\$ 4,466,730
Patient accounts receivable, net	928,513	529,481
Property taxes receivable	4,138,138	3,861,250
Prepaid items	104,409	142,217
Total Current Assets	11,254,688	8,999,678
Restricted Assets:		
Cash with fiscal agent	6,756	231,866
Capital Assets:		
Land	868,576	868,576
Depreciable Assets	9,717,792	9,405,649
	10,586,368	10,274,225
Less: Accumulated depreciation	(5,311,484)	(4,913,096)
Total Capital Assets	5,274,884	5,361,129
TOTAL ASSETS	\$ 16,536,328	\$ 14,592,673
LIABILITIES		
Current Liabilities:		
Accounts payable	\$ 64,085	\$ 17,965
Accrued expenses	712,208	576,457
Lease and COP's - current portion	90,000	85,000
Total Current Liabilities	866,293	679,422
Certificates of Participation	2,500,687	2,707,639
Total Liabilities	3,366,980	3,387,061
DEFERRED INFLOWS OF RESOURCES		
Deferred Revenue	4,138,138	3,861,250
NET POSITION		
Net Investment in Capital Assets	2,684,197	2,568,490
Restricted - debt service	-	231,865
Restricted - emergencies	130,904	123,190
Unrestricted	6,216,109	4,420,817
TOTAL NET POSITION	\$ 9,031,210	\$ 7,344,362

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	2021	2020
Operating Revenue:		
Net patient service revenue	\$ 5,904,150	\$ 4,705,310
Other	71,279	88,810
Total Operating Revenue	5,975,429	4,794,120
Operating Expenses:		
Salaries and benefits	6,529,036	6,193,338
Ambulance service operations	1,054,874	930,045
Plant operations	198,508	167,270
Bad debt expense	773,250	713,238
Professional fees and insurance	101,798	193,515
Public relations	14,696	4,223
Administration	48,339	24,048
County Treasurer's fee	81,160	76,067
Depreciation	532,423	496,886
Total Operating Expenses	9,334,084	8,798,630
Operating Loss	(3,358,655)	(4,004,510)
Nonoperating Revenue (Expenses):		
Property taxes	4,363,459	4,106,319
Grant revenues	185,632	216,106
Grant expenses	(47,781)	(65,155)
CO EMS supplemental revenue	802,702	(182,437)
Contributions	25	-
Interest income	52,708	51,634
Interest expense	(311,242)	(146,207)
Net Nonoperating Revenue	5,045,503	3,980,260
Net Income (loss)	1,686,848	(24,250)
Net Position, Beginning of Year	7,344,362	7,368,612
Net Position, End of Year	\$ 9,031,210	\$ 7,344,362

See Accompanying Notes to Financial Statements.

THOMPSON VALLEY HEALTH SERVICES DISTRICT

STATEMENTS OF CASH FLOWS

Years Ended December 31	2021	2020
Cash Flows from Operating Activities:		
Cash received:		
From customers	\$ 5,183,929	\$ 4,216,709
Cash payments:		
To suppliers for goods and services	(2,301,108)	(1,479,191)
To employees	(6,529,036)	(6,193,338)
Net Cash Used by Operating Activities	(3,646,215)	(3,455,820)
Cash Flows from Non-Capital Financing Activities:		
Property taxes	4,363,459	4,106,319
CO EMS Supplemental Revenue	802,702	(182,437)
Net Cash Provided by Non-Capital Financing Activities	5,166,161	3,923,882
Cash Flows from Capital and Related Financing Activities:		
Acquisition of equipment and improvements	(446,178)	(331,739)
Proceeds on refunding COP's	2,688,234	-
Payments on COP's and refunding	(2,567,529)	(226,000)
Grants received, net	137,851	150,951
Net Cash Used by Capital and Related Financing Activities	(187,622)	(406,788)
Cash Flows from Investing Activities:		
Interest on bank deposits	52,708	51,634
Net Increase (Decrease) in Cash	1,385,032	112,908
Cash, beginning of year	4,698,596	4,585,688
Cash, end of year	\$ 6,083,628	\$ 4,698,596

Reconciliation of Operating Loss to Net Cash Used

by Operating Activities:		
Operating income (loss)	\$ (3,358,655)	\$ (4,004,510)
Depreciation and amortization	532,423	496,886
Change in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(399,032)	135,827
Prepaid items	37,808	(558)
Increase (decrease) in:		
Accounts payable	(46,120)	-
Accrued liabilities	(135,751)	(83,465)
Deferred revenue	(276,888)	-
Net Cash Used by Operating Activities	\$ (3,646,215)	\$ (3,455,820)

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 \$372,743 and \$296,902 at December 31, 2021 and 2020, respectively.

The federal Medicare and Colorado Medicaid programs provide approximately 29% 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 2021.

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, 2021. 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, 1/1/21	Additions	Deletions	Balance, 12/31/21
Land	\$ 868,576	\$ --	\$ --	\$ 868,576
Ambulance stations	4,190,174	--	--	4,190,174
Vehicles	2,409,743	220,301	134,037	2,496,007
Mobile equipment	1,955,660	112,944	--	2,068,604
Furnishings	850,072	112,935	--	963,007
Total Cost	10,274,225	446,180	134,037	10,586,368
Less Accumulated Depreciation:				
Ambulance stations	1,389,075	104,932	--	1,494,007
Vehicles	1,190,203	225,594	134,037	1,281,760
Mobile equipment	1,663,907	136,484	--	1,800,391
Furnishings	669,911	65,415	--	735,326
Total Accumulated Depreciation	4,913,096	532,425	134,037	5,311,484
Capital Assets, Net	\$ 5,361,129	\$ (86,245)	\$ --	\$ 5,274,884

THOMPSON VALLEY HEALTH SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – Changes in Capital Assets– Continued:

	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

NOTE 4 – Long Term Liabilities:

December 31	2021	2020
\$3,500,000 certificates of participation – 2010, due in varying installments through December 2040, interest at 5.0%	\$ --	\$ 2,840,000
COP Discount	--	(49,267)
\$2,395,000 refunding certificates of participation – 2021, due in varying installments through December 2040, interest at 3.23%	2,395,000	--
COP Premium	195,687	--
	2,590,687	\$ 2,790,733

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, 2021, are as follows:

Years Ending December 31	Principal	Interest	Total
2022	\$ 90,000	\$82,400	\$172,400
2023	90,000	78,800	168,800
2024	95,000	75,200	170,200
2025	100,000	71,400	171,400
2026	105,000	67,400	172,400
2027-2031	575,000	272,000	847,000
2032-2036	695,000	160,800	855,800
2037-2040	645,000	49,200	694,200
	<u>\$2,395,000</u>	<u>\$857,200</u>	<u>\$3,252,200</u>

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

	Balance, 1/01/21	Additions	Deductions	Balance, 12/31/21	Due Within One Year
COP's	\$ 2,840,000	\$2,395,000	\$2,840,000	\$ 2,395,000	\$ 90,000
Discount	(49,267)	--	(49,267)	--	--
Premium	--	195,687	--	195,687	--
Total	\$ 2,790,733	\$2,590,687	\$2,790,733	\$ 2,590,687	\$ 90,000

On December 1, 2021, the District advance refunded and defeased \$2,840,000 of COP's, Series 2010 dated October 21, 2010 with an average interest rate of 5.0% by the issuance of \$2,395,000 COP's, Series 2021 dated December 1, 2021 with an average interest rate of 3.23%.

The District reduced its aggregate debt service payments by almost \$1,159,675 over the next 18 years and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$663,314. The District incurred a cost on refunding in the amount of \$67,033, which was charged to operations.

THOMPSON VALLEY HEALTH SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS

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 \$168,183 and \$192,551 for the years ended December 31, 2021 and 2020, respectively, and the District contributed \$108,463 and \$162,835 for the years ended December 31, 2021 and 2020, respectively.

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 \$114,331 and \$88,078 for the years ended December 31, 2021 and 2020, respectively, equal to 3.0% of the permanent full-time employees' gross salaries, who also had a 3.0% required contribution of \$114,331 and \$88,078, 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.

THOMPSON VALLEY HEALTH SERVICES DISTRICT

NOTES TO 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, 2022. The commitment under the contract totaled \$252,429 and \$246,272 in 2021 and 2020, 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, 2021	Actual	Final Budget	Variance
Operating Revenues:			
Gross patient service revenue	\$ 10,987,190	\$ 8,815,000	\$ 2,172,190
Contractual adjustments	(5,083,039)	(4,101,500)	(981,539)
Other revenue	71,304	8,000	63,304
Total Operating Revenues	5,975,455	4,721,500	1,253,955
Operating Expenses:			
Salaries and wages	6,529,036	7,084,886	555,850
Ambulance service operations	1,054,875	1,173,929	119,054
Plant operations	198,508	872,000	673,492
Bad debt expense	773,250	480,000	(293,250)
Professional fees and insurance	101,798	140,000	38,202
Public relations	14,696	34,000	19,304
Administration	48,339	35,100	(13,239)
County Treasurer's fee	81,160	77,225	(3,935)
Capital outlay	446,180	650,000	203,820
Total Operating Expenses	9,247,842	10,547,140	1,299,298
Operating Loss	(3,272,387)	(5,825,640)	2,553,253
Nonoperating Revenue (Expense):			
Property taxes	4,363,459	4,091,250	272,209
Grant revenues	185,632	170,000	15,632
Program/grant expense	(47,781)	(88,500)	40,719
CO EMS supplemental revenue	802,702	500,000	302,702
Interest expense	(311,242)	(238,708)	(72,534)
Gain (loss) on disposal of assets	-	15,000	(15,000)
Interest income	52,708	56,500	(3,792)
Total Nonoperating Revenue	5,045,478	4,505,542	539,936
Net Income (Loss), Non-GAAP Budget Basis	1,773,091	\$ (1,320,098)	\$ 3,093,189
Reconciliation of Revenue Over			
Expenditures To Changes in Net Position:			
Capital outlay	446,180		
Depreciation and amortization	(532,423)		
Net Income, GAAP Basis	\$ 1,686,848		