

BOULDER COUNTY PUBLIC HEALTH

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2019 AND 2018

**BOULDER COUNTY PUBLIC HEALTH
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INDEPENDENT AUDITORS' REPORT

Board of Health
Boulder County Public Health
Boulder, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of Boulder County Public Health, a component unit of Boulder County Public Health, as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

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 of America; 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditors' 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of Boulder County Public Health as of December 31, 2019 and 2018, and the respective changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8, the schedule of proportionate share of the net pension liability on page 44, the schedule of pension contributions and related ratios on page 45, the schedule of proportionate share of the other postemployment benefits liability on page 46, the schedule of other postemployment benefits contributions and related ratios on page 47, and budgetary comparison information on pages 42 and 43 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 of America, 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.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Boulder County Public Health's basic financial statements. The schedule of revenues and expenditures by function – general fund is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of revenues and expenditures by function – general fund is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other information referred to above is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2021, on our consideration of Boulder County Public Health’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of Boulder County Public Health’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Boulder County Public Health’s internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Broomfield, Colorado
January 25, 2021

**BOULDER COUNTY PUBLIC HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2019 AND 2018**

As management of Boulder County Public Health (BCPH), we offer readers of BCPH's financial statements this narrative overview and analysis of the financial activities of BCPH for the fiscal years ended December 31, 2019 and 2018.

Financial Highlights

In 2015, BCPH implemented Government Accounting Standards Board (GASB) Statement No. 68 (GASB 68), *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 27*, and GASB Statement No. 71 (GASB 71), *Pension Transition for Contributions made Subsequent to the Measurement Date—an Amendment of GASB Statement No. 68*. GASB 68 and 67 require state and local government employers to recognize a net pension liability for defined benefit plans where the entity is a participant. These changes require BCPH to report its allocated proportionate share of the Colorado Public Employer's Retirement Association (PERA)'s net pension liability and pension expense. Additionally, in 2018 BCPH implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB 75 required state and local government employers to recognize a net OPEB liability for defined benefit plans where the entity is a participant. These changes require BCPH to report its allocated proportionate share of the Colorado Public Employer's Retirement Association (PERA)'s net OPEB liability and OPEB expense. As a result, the net position of BCPH, the amount of total assets and deferred outflows of resources less total liabilities and deferred inflows of resources, at December 31, 2019 is negative \$(11,621,547). Of this amount, unrestricted net position of negative \$(11,697,625) represents what is not available to meet the government's ongoing obligations to citizens and creditors at December 31, 2019. The net position of BCPH at December 31, 2018 was negative \$(14,950,832). Of this amount, unrestricted net position of negative \$(15,191,664) represented what was not available to meet the government's ongoing obligations to citizens and creditors at December 31, 2018.

At December 31, 2019, BCPH's governmental fund reports an ending balance of \$3,549,800, which is an increase of \$557,244 from the balance at December 31, 2018. Approximately 98% of the total amount, \$3,493,746, is the unrestricted fund balance available for spending at the government's discretion. At December 31, 2018, BCPH's governmental fund had an ending balance of \$2,992,556, which is an increase of \$207,718 from the balance at December 31, 2017. Approximately 93% of the total amount, \$2,775,802, was the unrestricted fund balance available for spending at the government's discretion.

Overview of the Financial Statements

This discussion and analysis is an introduction to BCPH's basic financial statements including three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The financial statements also contain other supplementary information.

Government-Wide Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) reflect the financial activities of BCPH.

The statement of net position reports all of the governmental fund's current financial assets (short-term spendable resources) and all capital assets less all short and long-term obligations. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of BCPH is improving or declining.

**BOULDER COUNTY PUBLIC HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

The statement of activities presents information showing how BCPH's net position changed during the most recent calendar year. Regardless of when cash is received or distributed, changes in net position are reported when the underlying event giving rise to the change occurs. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. Governmental activities of BCPH include administration, family health, community health, environmental health, and communicable disease control. BCPH has no business-type activities.

Governmental Fund Financial Statements

A governmental fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. BCPH, like other state and local government agencies, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The governmental fund financial statements represent all of BCPH's current activities.

Governmental Funds

Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements (the balance sheet and the statement of revenues, expenditures, and changes in fund balance) focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating BCPH's near-term financing requirements.

The focus of governmental fund financial statements is narrower than that of the government-wide financial statements. Comparing the information presented for governmental funds with similar information presented for government-wide activities may assist readers to understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and government-wide activities.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and governmental fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning BCPH's budgetary comparison schedules for the general fund, which demonstrates compliance with the annual appropriated budget, the schedule of proportionate share of the net pension liability and the schedule of pension contributions and related ratios to the pension plan, which demonstrate BCPH's share in the total net pension liability and annual contributions to PERA, as well as the schedule of proportionate share of the net OPEB liability and the schedule of OPEB contributions and related ratios to the OPEB plan, which demonstrate BCPH's share in the total net OPEB liability and annual contributions to PERA.

**BOULDER COUNTY PUBLIC HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

Government-Wide Financial Analysis

Increases or decreases in net position may serve over time as useful indicators of a government's financial position. In the case of BCPH, the amount of total assets and deferred outflows of resources less total liabilities and deferred inflows of resources at December 31, 2019 is negative \$(11,621,547). The amount of total assets and deferred outflows of resources less total liabilities and deferred inflows of resources at December 31, 2018 was negative \$(14,950,832).

An additional portion of BCPH's net position, \$56,054 and \$216,754 for 2019 and 2018, respectively, represents resources that are subject to external restrictions on how they may be used. The largest deficit of net position is unrestricted, \$(11,697,625) and \$(15,191,664) for 2019 and 2018, respectively, representing resources available (or not available) to meet the government's ongoing obligations. The negative balances are the result of the implementation GASB 68 and GASB 71 as well as GASB 75.

Boulder County Public Health's Net Position

	Governmental Activities		
	2019	2018	2017*
Current and Other Assets	\$ 4,580,943	\$ 3,926,533	\$ 4,131,584
Capital Assets	20,024	24,078	5,546
Total Assets	<u>4,600,967</u>	<u>3,950,611</u>	<u>4,137,130</u>
Deferred Outflows of Resources	4,361,165	2,547,763	5,113,188
Long-Term Liabilities Outstanding	19,363,442	17,422,594	19,466,816
Other Liabilities	1,094,990	986,545	1,431,248
Total Liabilities	<u>20,458,432</u>	<u>18,409,139</u>	<u>20,898,064</u>
Deferred Inflows of Resources	<u>125,247</u>	<u>3,040,067</u>	<u>102,815</u>
Net Position:			
Invested in Capital Assets	20,024	24,078	5,546
Restricted for Emergencies	55,877	53,184	47,919
Restricted for Mosquito Control	177	163,570	184,047
Unrestricted	(11,697,625)	(15,191,664)	(11,988,073)
Total Net Position	<u>\$ (11,621,547)</u>	<u>\$ (14,950,832)</u>	<u>\$ (11,750,561)</u>

**Boulder County Public Health was unable to reflect the Other Postemployment Benefits liability to periods prior to 2018 as that information not was available.*

Governmental Activities

Governmental activities for BCPH increased net position by \$3,329,285 in 2019. Governmental activities for BCPH decreased net position by \$(1,892,996) in 2018. Key elements of the 2019 and 2018 changes in net position are pension and OPEB liability related.

**BOULDER COUNTY PUBLIC HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

Boulder County Public Health Governmental Activities

	Governmental Activities		
	2019	2018	2017
Revenues:			
Program Revenues:			
Charges for Services	\$ 1,591,085	\$ 1,446,305	\$ 1,392,675
Operating Grants and Contributions	7,053,984	6,206,140	5,960,975
General Revenues:			
Contribution from Boulder County (PPrimary Government)	8,475,186	8,252,105	8,052,386
Investment Earnings	117,024	52,464	24,251
Total Revenues	<u>17,237,279</u>	<u>15,957,014</u>	<u>15,430,287</u>
Expenses:			
General Administration	2,423,379	3,451,128	3,055,577
Other Administrative Programs	1,163,310	1,572,696	1,730,676
Family Health Programs	2,139,612	2,856,178	2,935,027
Community Health Programs	2,079,397	2,618,269	2,942,927
Environmental Health Programs	4,710,412	5,819,269	5,728,699
Communicable Disease Programs	1,391,884	1,532,470	1,562,605
Total Expenses	<u>13,907,994</u>	<u>17,850,010</u>	<u>17,955,511</u>
Change in Net Position	3,329,285	(1,892,996)	(2,525,224)
Net Position - Beginning of Year (as Restated)	<u>(14,950,832)</u>	<u>(11,750,561)</u>	<u>(9,225,337)</u>
Net Position - End of Year	<u>\$ (11,621,547)</u>	<u>\$ (13,643,557)</u>	<u>\$ (11,750,561)</u>

Financial Analysis of BCPH's Fund

As noted earlier, BCPH uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Fund

The focus of BCPH's governmental fund is to provide information on current year revenue, expenditures, and balances of spendable resources. Such information is useful in assessing BCPH's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of BCPH's net resources available for spending at the end of the fiscal year.

The General Fund is the only governmental fund of Boulder County Public Health. As of December 31, 2019 and 2018, BCPH's General Fund reported an ending balance of \$3,549,800 and \$2,992,556, respectively, an increase of \$557,244 for 2019 from 2018, and an increase of \$207,718 for 2018 from 2017. At December 31, 2019 and 2018, approximately 93% and 86%, or \$3,293,746 and \$2,575,802, respectively, of the total amount, constitutes unrestricted and uncommitted fund balance, which is available for spending at BCPH's discretion. The remainder of fund balance, restricted for emergencies, mosquito control, and program funding, is not otherwise available for new spending.

**BOULDER COUNTY PUBLIC HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

General Fund Budgetary Highlights

Differences between the actual 2019 expenditures and budget, approved by the Board of Health, totaled \$(704,802) (actual less than budget) explanations for the majority of which are summarized as follows:

\$296,148 actual less than budget for salaries and benefits primarily attributable to lower than anticipated spending as well as vacant positions (all divisions).

\$408,654 actual less than budget for all other expenses primarily attributable to lower than anticipated spending for operating expenses, professional, property and other services combined (all divisions).

Differences between the actual 2018 expenditures and budget, approved by the Board of Health, totaled \$(541,195) (actual less than budget) explanations for the majority of which are summarized as follows:

\$392,505 actual less than budget for salaries and benefits primarily attributable to lower than anticipated spending as well as vacant positions (all divisions).

\$148,690 actual less than budget for all other expenses primarily attributable to lower than anticipated spending for operating expenses, professional, property and other services combined (all divisions).

Capital Assets

Boulder County Public Health's investment in capital assets, at December 31, 2019 and 2018, expressed net of depreciation is \$20,024 and \$24,078, respectively. Investment in capital assets includes building improvements, internally developed computer software and other equipment.

Capital Assets (Net of Depreciation)

	Governmental Activities		
	2019	2018	2017
Equipment	\$ 20,024	\$ 24,078	\$ 5,546

Requests for Information

This financial report provides a general overview of BCPH's finances. Address questions or requests for additional information to Boulder County Public Health, Director of Administrative Services, 3450 Broadway, Boulder, CO, 80304.

BASIC FINANCIAL STATEMENTS

**BOULDER COUNTY PUBLIC HEALTH
STATEMENTS OF NET POSITION – GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2019 AND 2018**

	2019	2018
ASSETS		
Cash and Investments	\$ 2,966,738	\$ 2,556,228
Restricted Cash and Investments	177	163,570
Accounts Receivable, Net of Allowance of \$-0- for 2018 and 2017	-	1,140
Due from Other Governments	1,614,028	1,192,831
Due from Boulder County	-	7,823
Other Assets	-	4,941
	4,580,943	3,926,533
Capital Assets, Net of Accumulated Depreciation of \$80,713 and \$76,659 for 2019 and 2018, Respectively	20,024	24,078
Total Assets	4,600,967	3,950,611
DEFERRED OUTFLOWS OF RESOURCES		
Related to Pension	4,211,790	2,414,767
Related to Other Postemployment Benefits	149,375	132,996
Total Deferred Outflows of Resources	4,361,165	2,547,763
LIABILITIES		
Accounts Payable	237,304	263,613
Due to Boulder County	-	624
Accrued Salaries and Benefits	228,926	205,881
Accrued Payroll Liabilities	219,371	8,923
Unearned Revenue	336,552	445,111
Compensated Absences:		
Due within One Year	72,837	62,393
Due in More than One Year	610,024	527,911
Net Pension Liability	17,302,616	15,489,802
Net Other Postemployment Benefits Liability	1,450,802	1,404,881
Total Liabilities	20,458,432	18,409,139
DEFERRED INFLOWS OF RESOURCES		
Related to Pension	106,940	3,016,564
Related to Other Postemployment Benefits	18,307	23,503
Total Deferred Inflows of Resources	125,247	3,040,067
NET POSITION		
Investment in Capital Assets	20,024	24,078
Restricted:		
Restricted for Emergencies	55,877	53,184
Restricted for Mosquito Control	177	163,570
Unrestricted	(11,697,625)	(15,191,664)
Total Net Position	\$ (11,621,547)	\$ (14,950,832)

See accompanying Notes to Financial Statements.

**BOULDER COUNTY PUBLIC HEALTH
STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2019**

	Program Revenue			
Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position	
Governmental Activities:				
General Administration	\$ 2,423,379	\$ 539,396	\$ 1,024,395	\$ (859,588)
Strategic Initiatives	1,163,310	-	94,472	(1,068,838)
Family Health	2,139,612	104,949	1,949,341	(85,322)
Community Health	2,079,397	-	1,107,095	(972,302)
Environmental Health	4,710,412	879,770	1,767,278	(2,063,364)
Communicable Disease	1,391,884	66,970	1,111,403	(213,511)
	\$ 13,907,994	\$ 1,591,085	\$ 7,053,984	(5,262,925)
General Revenues:				
Contribution from Boulder County				8,475,186
Investment Earnings				117,024
Total General Revenues				8,592,210
Change in Net Position				3,329,285
Net Position - Beginning of Year				(14,950,832)
Net Position - End of Year				\$ (11,621,547)

See accompanying Notes to Financial Statements.

**BOULDER COUNTY PUBLIC HEALTH
STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2018**

	Program Revenue			
Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position	
Governmental Activities:				
General Administration	\$ 3,451,128	\$ 229,946	\$ 1,040,605	\$ (2,180,577)
Strategic Initiatives	1,572,696	235,643	139,112	(1,197,941)
Family Health	2,856,178	47,548	1,710,489	(1,098,141)
Community Health	2,618,269	130,603	1,129,161	(1,358,505)
Environmental Health	5,819,269	786,539	1,331,960	(3,700,770)
Communicable Disease	1,532,470	16,026	854,813	(661,631)
	\$ 17,850,010	\$ 1,446,305	\$ 6,206,140	(10,197,565)
General Revenues:				
Contribution from Boulder County				8,252,105
Investment Earnings				52,464
Total General Revenues				8,304,569
Change in Net Position				(1,892,996)
Net Position - Beginning of Year (as Restated)				(13,057,836)
Net Position - End of Year				\$ (14,950,832)

See accompanying Notes to Financial Statements.

**BOULDER COUNTY PUBLIC HEALTH
BALANCE SHEETS – GOVERNMENTAL FUND – GENERAL FUND
DECEMBER 31, 2019 AND 2018**

	2019	2018
ASSETS		
Cash and Investments	\$ 2,966,738	\$ 2,556,228
Restricted Cash and Investments	177	163,570
Accounts Receivable, Net of Allowance of \$-0- for 2018 and 2017	-	1,140
Due from Other Governments	1,614,028	1,192,831
Due from Boulder County	-	7,823
Other Assets	-	4,941
Total Assets	\$ 4,580,943	\$ 3,926,533
LIABILITIES		
Accounts Payable	\$ 237,304	\$ 263,613
Due to Boulder County	-	624
Accrued Salaries and Benefits	228,926	205,881
Accrued Payroll Liabilities	219,371	8,923
Matured Compensated Absences	8,990	9,825
Unearned Revenue	336,552	445,111
Total Liabilities	1,031,143	933,977
FUND BALANCE		
Restricted:		
Restricted for Emergencies	55,877	53,184
Restricted for Mosquito Control	177	163,570
Total Restricted Fund Balance	56,054	216,754
Unrestricted:		
Committed Emergency Preparedness Contingency	200,000	200,000
Assigned	62,200	1,112,964
Unassigned	3,231,546	1,462,838
Total Unrestricted Fund Balance	3,493,746	2,775,802
Total Fund Balance	3,549,800	2,992,556
Total Liabilities and Fund Balance	\$ 4,580,943	\$ 3,926,533

See accompanying Notes to Financial Statements.

**BOULDER COUNTY PUBLIC HEALTH
RECONCILIATION OF THE BALANCE SHEETS – GOVERNMENTAL FUND TO THE
STATEMENTS OF NET POSITION
DECEMBER 31, 2019 AND 2018**

	2019	2018
Governmental Fund Balance	\$ 3,549,800	\$ 2,992,556
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund	20,024	24,078
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund:		
Compensated Absences	(673,871)	(580,479)
Net Pension Liability	(17,302,616)	(15,489,802)
Net Other Postemployment Benefits Liability	(1,450,802)	(1,404,881)
Deferred outflows are not recognized in the current period and, therefore, are classified as deferred outflows of resources in the statement of net position:		
Related to Pension	4,211,790	2,414,767
Related to Other Postemployment Benefits	149,375	132,996
Deferred inflows are not available to pay current expenditures and, therefore, are not reported in the fund:		
Related to Pension	(106,940)	(3,016,564)
Related to Other Postemployment Benefits	(18,307)	(23,503)
Net Position of Governmental Activities	\$ (11,621,547)	\$ (14,950,832)

See accompanying Notes to Financial Statements.

**BOULDER COUNTY PUBLIC HEALTH
STATEMENTS OF REVENUE, EXPENDITURES, AND CHANGES IN FUND
BALANCE – GOVERNMENTAL FUND – GENERAL FUND
YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
OPERATING REVENUES		
Intergovernmental	\$ 15,287,558	\$ 14,102,498
Charges for Services	1,591,085	1,446,305
Contributions	6,360	4,279
Interest and Miscellaneous	352,276	403,932
Total Revenues	<u>17,237,279</u>	<u>15,957,014</u>
OPERATING EXPENDITURES		
General Administration	2,887,791	3,029,349
Strategic Initiatives	1,420,910	1,379,225
Family Health	2,621,611	2,481,392
Community Health	2,498,960	2,299,799
Environmental Health	5,579,285	5,197,247
Communicable Disease	1,671,478	1,362,284
Total Expenditures	<u>16,680,035</u>	<u>15,749,296</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	557,244	207,718
Fund Balance - Beginning of Year	<u>2,992,556</u>	<u>2,784,838</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 3,549,800</u></u>	<u><u>\$ 2,992,556</u></u>

See accompanying Notes to Financial Statements.

**BOULDER COUNTY PUBLIC HEALTH
RECONCILIATION OF THE STATEMENTS OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCE – GOVERNMENTAL FUND TO THE STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019	2018
Change in Fund Balance - Governmental Fund	\$ 557,244	\$ 207,718
<p>Amounts reported for governmental activities in the statement of net position are different because:</p> <p style="padding-left: 20px;">Governmental fund reports capital outlays as expenditures. However, in the statement of changes in net position, the cost of those assets is allocated over their useful lives and reported as depreciation expense.</p>		
Depreciation Expense	(4,054)	(2,405)
Asset Additions	-	20,937
<p>Some expenses reported in the statements of changes in net position do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund:</p>		
Compensated Absences	(93,392)	(16,840)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund:</p>		
Pension Income (Expense)	2,819,395	(2,114,293)
Other Postemployment Benefits Income (Expense)	(24,345)	11,887
Change in Contributions Subsequent to Measurement Date (Pension)	74,437	-
Change in Net Position of Governmental Activities	\$ 3,329,285	\$ (1,892,996)

See accompanying Notes to Financial Statements.

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Boulder County Public Health (BCPH) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the standard setting body for establishing governmental accounting and financial reporting principles. A summary of BCPH's significant accounting policies applied in the preparation of these basic financial statements follows:

Reporting Entity

BCPH was organized by authority of Colorado state statute on March 25, 1952. BCPH was established to provide public health services in Boulder County (the County) in the following areas: environment, family, community, communicable disease control, addiction recovery and strategic innovation. In 1973, BCPH was further segregated as a component unit of the County by resolution of the Boulder County Board of County Commissioners. The County Commissioners appoint the Board of Health's five members.

BCPH is included in the County's reporting entity because of the significance of its operational and financial relationship with the County in accordance with Government Accounting Standards Board (GASB). Financial accountability includes, but is not limited to, selection of governing authority, imposition of will, financial interdependency and accountability for fiscal matters. BCPH is included as a discretely presented component unit in the County's basic financial statements because it is a legally separate entity, the Commissioners appoint the governing board, the County appropriates significant funds to BCPH's operations, and BCPH serves the residents of the County. BCPH does not have financial accountability over any other district, municipality, or county.

Based on the above criteria, the accompanying basic financial statements include only the operations of BCPH.

Measurement Focus, Basis of Accounting and Basis of Presentation

BCPH's basic financial statements consist of the government-wide financial statements and the fund financial statements. The government-wide financial statements include a statement of net position and a statement of activities, which present all the financial activities of BCPH. The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. Governmental activities are normally supported by taxes and intergovernmental revenues. The government-wide statements of activities reflect both the direct expenses and net cost of each function of BCPH's governmental activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of BCPH, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of BCPH.

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

The governmental fund is used to account for BCPH's general governmental activities. Governmental fund financial statements use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are measurable and available). Measureable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. BCPH considers all revenue available if it is collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for certain compensated absences which are recognized when the obligations are expected to be liquidated with expendable available financial resources (i.e., matured).

Grant revenue is the primary revenue source subject to accrual. BCPH reports a deferred inflow of resources when potential revenue does not meet both the measurable and available criteria for recognition in the current period and eligibility requirements have not been met at the fund level, or when unearned revenue is not considered earned and eligibility requirements have not been met at the government-wide level. Unearned revenues also arise when BCPH receives resources before it has legal claim to them, such as when grant funds are received prior to incurring qualified expenditures and eligibility requirements have not been met. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for unearned revenue and deferred inflows of resources is removed and revenue is recognized.

A reconciliation of the fund financial statements to the government-wide financial statements is provided in the basic financial statements to explain the differences between them.

The General Fund is BCPH's only governmental fund. It is the general operating fund of BCPH and is used to account for all financial activities.

Cash and Investments

Cash and investments are cash on hand and demand deposits, and are stated at fair value.

Restricted Cash and Investments

Restricted cash is comprised of amounts received from donations from other organizations or individuals to be used for specific purposes.

Accounts Receivable

Accounts receivable are carried at cost less an allowance for doubtful accounts. BCPH does not accrue finance or interest charges. On a periodic basis, BCPH evaluates its accounts receivable and determines the need for an allowance for losses based on historical experience. A receivable is written off when it is determined that all reasonable collection efforts have been exhausted and the potential for recovery is considered remote. At December 31, 2019 and 2018, BCPH had no allowance for doubtful accounts.

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Due from Other Governments

Due from other governments includes amounts due primarily from federal and state grantors for specific grant programs.

Capital Assets

Capital assets, which include equipment and improvements, are reported in the government-wide financial statements. BCPH defines capital assets as assets with an initial, individual cost of more than \$5,000 for equipment, \$50,000 or more for improvements, and a useful life of more than one year. Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated 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. Improvements are capitalized and depreciated over the remaining useful life of the related capital asset, as applicable.

Capital assets are depreciated using the straight-line method over their estimated useful lives. Depreciation expense is reflected as an operating expense in the government-wide statements of activities.

Estimated useful lives for asset types are as follows:

Equipment	6-10 years
Software	6 years

Compensated Absences

BCPH follows County policy for compensated absences. The County allows employees to accumulate unused vacation and medical leave benefits up to a certain maximum number of hours. Upon termination, all unused vacation leave benefits are paid to the employee. Medical leave benefits may be paid to the employee depending on hire date or length of service. Employees hired as full time employees prior to June 1, 1987, except Social Service Department employees, who have worked for the County for 20 years or who are eligible for retirement at age 62, are paid all unused medical leave benefits. Employees hired as full time employees prior to June 1, 1987, except Social Service Department employees, who have not worked for the County for 20 years nor are they eligible for retirement at age 62, are paid 50% of their unused medical leave. All other employees not listed in the above two categories are not paid for unused medical leave.

Long-Term Obligations for Compensated Absences

Long-term obligations for compensated absences are reported as liabilities in the statements of net position and are not recorded at the fund level unless they have matured.

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions

BCPH participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension fund administered by Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position, and additions to/deductions from the fiduciary net position of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Health Care Trust Fund (HCTF) administered by the Public Employees' Retirement Association of Colorado (PERA) and additions to/deductions from the HCTF's fiduciary net position have been determined on the same basis as they are reported by the HCTF. For this purpose, the HCTF recognizes benefit payments when due and payable in accordance with benefit terms. Investments are reported at fair value.

Fund Balance

As of December 31, 2019 and 2018, fund balances of governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are not spendable in form or because they are legally or contractually required to be maintained intact. As of December 31, 2019 and 2018, BCPH does not have any nonspendable fund balance.

Restricted – amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation. For the years ended December 31, 2019 and 2018, \$56,054 and \$216,754, respectively, is classified as restricted.

Committed – amounts that are subject to a purpose constraint imposed by a formal action of the Board of Health (the Board). The Board is the highest level of decision-making authority for BCPH.

Commitments may be established, modified or rescinded only through resolutions approved by the Board. As of December 31, 2019 and 2018, \$200,000 is classified as committed.

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance (Continued)

Assigned – amounts that are subject to a purpose constraint that represents an intended use established by BCPH, but are not considered restricted or committed. The purpose of the assignment must be narrower than the purpose of the General Fund. As of December 31, 2019 and 2018, \$62,200 and \$1,112,964, respectively, are assigned to the BCPH’s various programs.

Unassigned – represents the residual classification for BCPH’s General Fund and could report a surplus or deficit. As of December 31, 2019 and 2018, BCPH had \$3,231,546 and \$1,462,838, respectively, of fund balance in the General Fund for unassigned.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, restricted fund balance is considered expended. For expenditures in which any unrestricted fund balance classification could be used, committed fund balance is considered first expended, then assigned, then unassigned.

Reclassification

Certain amounts from the prior fiscal year have been reclassified to conform to the current year presentation.

NOTE 2 DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan Description

Eligible employees of BCPH provided with pensions through the Local Government Division Trust Fund (LGDTF)—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code.

Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided

PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 2 DEFINED BENEFIT PENSION PLAN (CONTINUED)

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary (HAS) multiplied by 2.5% and then multiplied by years of service credit. The HAS is calculated as the average of the highest annual salaries associated with three periods of 12 consecutive months under PERA-covered employment.
- The value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases, the service retirement benefit is limited to 100% of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

As of December 31, 2018, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments in certain years, referred to as annual increases in the C.R.S. Pursuant to SB 18-200, there are no annual increases (AI) for 2018 and 2019. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure will receive an annual increase, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 1.5 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 will receive the lesser of an annual increase of 1.5 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the LGDTF. The automatic adjustment provision may raise or lower the aforementioned AI for a given year by up to one-quarter of 1 percent based on the parameters specified C.R.S. § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 2 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions

Eligible employees and BCPH are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, and seq. Eligible employees are required to contribute 8% of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	2019	2018
Employer Contribution Rate ¹	10.00%	10.00%
Amount of Employer Contribution Apportioned to the Health Care Trust Fund as Specified in C.R.S. § 24-51-208(1)(f) ¹	(1.02)%	(1.02)%
Amount Apportioned to the LGDTF ¹	8.98%	8.98%
Amortization Equalization Disbursement (AED) as Specified in C.R.S. § 24-51-411 ¹	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. § 24-51-411 ¹	1.50%	1.50%
Total Employer Contribution Rate to the LGDTF ¹	12.68%	12.68%

¹Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and BCPH is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from BCPH were \$1,218,006 and \$1,143,568 for the years ended December 31, 2019 and 2018, respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2019 and 2018, BCPH reported a liability of \$17,302,616 and \$15,489,802, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017.

Standard update procedures were used to roll forward the total pension liability to December 31, 2018. BCPH proportion of the net pension liability was based on BCPH contributions to the LGDTF for the calendar year 2018 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2018, BCPH proportion was 1.376267672%, which was a decrease of 0.014911089% from its proportion measured as of December 31, 2017.

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 2 DEFINED BENEFIT PENSION PLAN (CONTINUED)

For the years ended December 31, 2019 and 2018, BCPH recognized pension expense of (\$2,819,395) and \$2,114,293, respectively. At December 31, 2019 and 2018, BCPH reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2019		2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 723,476	\$ -	\$ 969,026	\$ -
Changes of Assumptions or other Inputs	-	-	163,630	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	2,253,294	-	-	3,010,845
Changes in Proportion and Differences Between Contributions Recognized and Proportionate Share of Contributions	17,014	106,940	138,543	5,719
Contributions Subsequent to the Measurement Date	<u>1,218,006</u>	<u>-</u>	<u>1,143,568</u>	<u>-</u>
Total	<u>\$ 4,211,790</u>	<u>\$ 106,940</u>	<u>\$ 2,414,767</u>	<u>\$ 3,016,564</u>

The amount of \$1,218,006 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2020	\$ 1,253,965
2021	277,311
2022	125,557
2023	1,230,011
Total	<u>\$ 2,886,844</u>

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 2 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions, and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.40%
Real Wage Growth	1.10%
Wage Inflation	3.50%
Salary Increases, Including Wage Inflation	3.50 - 10.45%
Long-Term Investment Rate of Return, Net of Pension	
Plan Investment Expenses, Including Price Inflation	7.25%
Discount rate	7.25%
Future Post Retirement Benefit Increases:	
PERA Benefit Structure Hired Prior to 1/1/07; and	2.00% Compounded
DPS Benefit Structure (Automatic)	Annually
PERA Benefit Structure Hired After 12/31/06	Financed by the
(Ad hoc, Substantively Automatic)	Annual Increase Reserve

The revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2017 to December 31, 2018.

Future Post Retirement Benefit Increases:	0% through 2019
PERA Benefit Structure Hired Prior to January 1, 2007;	and 1.5% Compounded
and DPS Benefit Structure (Automatic)	Annually, Thereafter
PERA Benefit Structure hired after December 31, 2006	Financed by the
(Ad Hoc, Substantively Automatic)	Annual Increase Reserve

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions reflect the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 2 DEFINED BENEFIT PENSION PLAN (CONTINUED)

The mortality assumption for disabled retirees was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012 through December 31, 2015, as well as, the October 28, 2016 actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016 Board meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the LGDTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the November 18, 2016 adoption of the current long-term expected rate of return by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30-Year Expected Geometric Real Rate of Return</u>
U.S. Equity - Large Cap	21.20 %	4.30 %
U.S. Equity - Small Cap	7.42	4.80
Non U.S. Equity - Developed	18.55	5.20
Non U.S. Equity - Emerging	5.83	5.40
Core Fixed Income	19.32	1.20
High Yield	1.38	4.30
Non U.S. Fixed Income - Developed	1.84	0.60
Emerging Market Debt	0.46	3.90
Core Real Estate	8.50	4.90
Opportunity Fund	6.00	3.80
Private Equity	8.50	6.60
Cash	1.00	0.20
Total	<u><u>100.00 %</u></u>	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 2 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, the AED and SAED will each drop 0.5% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The Annual Increase Reserve (AIR) balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, the LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 2 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Sensitivity of BCPH Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
As of December 31, 2019			
Proportionate Share of the Net Pension Liability	\$ 26,469,426	\$ 17,302,616	\$ 9,633,653
As of December 31, 2018			
Proportionate Share of the Net Pension Liability	\$ 24,670,232	\$ 15,489,802	\$ 7,836,593

Pension Plan Fiduciary Net Position

Detailed information about the LGDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

Changes Between the Measurement Date of the Net Pension Liability and December 31, 2019

During the 2019 legislative session, the Colorado General Assembly passed HB 19-1217: PERA Public Employees' Retirement Association Local Government Division Member Contribution Rate. The bill was signed into law by Governor Polis on May 20, 2019, and eliminates the 2 percent increase in the contribution rate for members in the Local Government Division mandated by SB 18-200.

Defined Contribution Pension Plans

Defined Contribution Retirement Plan (DC Plan)

Plan Description

Employees of the LGDTF that were hired on or after January 1, 2019 which were eligible to participate in the LGDTF, a cost-sharing multiple-employer defined benefit pension plan, have the option to participate in the LGDTF or the Defined Contribution Retirement Plan (PERA DC Plan). The PERA DC Plan is an Internal Revenue Code Section 401(a) governmental profit-sharing defined contribution plan. Title 24, Article 51, Part 15 of the C.R.S., as amended, assigns the authority to establish Plan provisions to the PERA Board of Trustees. The DC Plan is also included in PERA's CAFR as referred to above.

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 2 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Funding Policy

All participating employees in the PERA DC Plan and BCPH are required to contribute a percentage of the participating employees' PERA-includable salary to the PERA DC Plan. The employee and employer contribution rates for the year ended December 31, 2019 is summarized in the tables below:

	January 1, 2019 Through June 30, 2019	July 1, 2019 Through December 31, 2019
Employee Contribution Rates	<u>8.00%</u>	<u>8.75%</u>
Employer Contribution Rates (On behalf of participating employees)	10.00%	10.00%

Additionally the employers are required to contribute AED and SAED to the LGDTF as follows:

	For the Year Ended December 31, 2019
Amortization Equalization Disbursement (AED) as in C.R.S. § 24-51-411 ¹	<u>2.20%</u>
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	<u>1.50%</u>
Total Employer Contribution Rate to the LGDTF	<u>3.70%</u>

¹ Contribution rates for the DC Plan are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Contribution requirements are established under Title 24, Article 51, Section 1505 of the C.R.S., as amended. Participating employees of the PERA DC Plan are immediately vested in their own contributions and investment earnings and are immediately 50 percent vested in the amount of employer contributions made on their behalf. For each full year of participation, vesting of employer contributions increases by 10 percent. Forfeitures are used to pay expenses of the PERA DC Plan in accordance with PERA Rule 16.80 as adopted by the PERA Board of Trustees in accordance with Title 24, Article 51, Section 204 of the C.R.S. As a result, forfeitures do not reduce pension expense. Participating employees in the PERA DC Plan contributed \$1,849 and BCPH recognized pension expense of \$1,849 for the PERA DC Plan.

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 3 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

General Information about the OPEB Plan

Plan Description

Eligible employees of BCPH are provided with OPEB through the Health Care Trust Fund (HCTF) - a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan administered by the Public Employees' Retirement Association of Colorado (PERA). The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. PERA issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided

The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four divisions (State Division, School Division, Local Government Division and Judicial Division Trust Funds), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Eligibility to enroll in PERACare is voluntary and includes, among others, benefit recipients and their eligible dependents, as well as certain surviving spouses, divorced spouses and guardians. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
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NOTE 3 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

PERA Benefit Structure

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

Contributions

Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02% of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and BCPH is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from BCPH were \$97,978 and \$91,990 for the years ended December 31, 2019 and 2018, respectively.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2019 and 2018, BCPH reported a liability of \$1,450,802 and \$1,404,881, respectively, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2018. BCPH's proportion of the net OPEB liability was based on BCPH's contributions to the HCTF for the calendar year 2018 relative to the total contributions of participating employers to the HCTF. At December 31, 2018, BCPH's proportion was 0.1066340885%, which was an decrease of 0.0014669377% from its proportion measured as of December 31, 2017.

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 3 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

For the years ended December 31, 2019 and 2018, BCPH recognized OPEB expense of \$30,334 and \$12,105, respectively. At December 31, 2019 and 2018, BCPH reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2019		2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 5,266	\$ 2,208	\$ 6,644	\$ -
Changes of Assumptions or other Inputs	10,177	-	-	-
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	8,343	-	-	23,503
Changes in Proportion and Differences Between Contributions Recognized and Proportionate Share of Contributions	27,611	16,099	34,362	-
Contributions Subsequent to the Measurement Date	<u>97,978</u>	<u>-</u>	<u>91,990</u>	<u>-</u>
Total	<u>\$ 149,375</u>	<u>\$ 18,307</u>	<u>\$ 132,996</u>	<u>\$ 23,503</u>

\$97,978 reported as deferred outflows of resources related to OPEB resulting from BCPH contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2020	\$ 7,063
2021	7,063
2022	7,065
2023	12,857
2024	(892)
Thereafter	(66)
	<u>\$ 33,090</u>

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 3 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Assumptions

The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.40%
Real Wage Growth	1.10%
Wage Inflation	3.50%
Salary Increases, Including Wage Inflation	3.50 % in the Aggregate
Long-Term Investment Rate of Return, Net of OPEB Plan	
Investment Expenses, Including Price Inflation	7.25%
Discount rate	7.25%
Health Care Cost Trend Rates	
Service-based Premium Subsidy	0.00%
PERACare Medicare Plans	5.00%
Medicare Part A Premiums	3.25% for 2018, gradually rising to 5.00% in 2025

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

The actuarial assumptions used in the December 31, 2017, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012 through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA's actuary, as discussed below.

In determining the additional liability for PERACare enrollees who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following monthly costs/premiums are assumed for 2018 for the PERA Benefit Structure:

Medicare Plan	Cost for Members Without Medicare Part A	Premiums for Members Without Medicare Part A
Self-Funded Medicare Supplement Plans	\$ 736	\$ 367
Kaiser Permanente Medicare Advantage HMO	602	236
Rocky Mountain Health Plans Medicare HMO	611	251
UnitedHealthcare Medicare HMO	686	213

The 2018 Medicare Part A premium is \$422 per month.

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 3 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following chart details the initial expected value of Medicare Part A benefits, age adjusted to age 65 for the year following the valuation date:

<u>Medicare Plan</u>	<u>Cost for Members Without Medicare Part A</u>
Self-Funded Medicare Supplement Plans	\$ 289
Kaiser Permanente Medicare Advantage HMO	300
Rocky Mountain Health Plans Medicare HMO	270
UnitedHealthcare Medicare HMO	400

All costs are subject to the health care cost trend rates, as discussed below.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2017, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

<u>Year</u>	<u>PERACare Medicare Plans</u>	<u>Medicare Part A Premiums</u>
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.25%
2023	5.00%	4.50%
2024	5.00%	4.75%
2025+	5.00%	5.00%

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 3 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Mortality assumptions for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70% factor applied to male rates and a 55% factor applied to female rates.

Healthy, post-retirement mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

Healthy, post-retirement mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

The mortality assumption for disabled retirees was based on 90% of the RP-2014 Disabled Retiree Mortality Table.

The following economic and demographic assumptions were specifically developed for, and used in, the measurement of the obligations for the HCTF:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2018 plan year.

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 3 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four of five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the HCTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30-Year Expected Geometric Real Rate of Return</u>
U.S. Equity - Large Cap	21.20 %	4.30 %
U.S. Equity - Small Cap	7.42	4.80
Non U.S. Equity - Developed	18.55	5.20
Non U.S. Equity - Emerging	5.83	5.40
Core Fixed Income	19.32	1.20
High Yield	1.38	4.30
Non U.S. Fixed Income - Developed	1.84	0.60
Emerging Market Debt	0.46	3.90
Core Real Estate	8.50	4.90
Opportunity Fund	6.00	3.80
Private Equity	8.50	6.60
Cash	1.00	0.20
Total	<u>100.00 %</u>	

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
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NOTE 3 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

Sensitivity of BCPH's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents BCPH's proportionate share of the net OPEB liability, as well as what BCPH's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare Trend Rate	4.00%	5.00%	6.00%
Initial Medicare Part A Trend Rate	2.25%	3.25%	4.25%
Ultimate Medicare Part A Trend Rate	4.00%	5.00%	6.00%
Proportionate Share of the Net OPEB Liability	\$ 1,410,739	\$ 1,450,802	\$ 1,496,880

Discount Rate

The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2018, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 3 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Based on the above assumptions and methods, the HCTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate. There was no change in the discount rate from the prior measurement date.

Sensitivity of BCPH's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents BCPH's proportionate share of the net OPEB liability, as well as what BCPH's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current discount rate:

	1% Decrease (6.25%)	Current Discout Rate (7.25%)	1% Increase (8.25%)
As of December 31, 2019			
Proportionate Share of the Net OPEB Liability	\$ 1,623,321	\$ 1,450,802	\$ 1,303,314
As of December 31, 2018			
Proportionate Share of the Net OPEB Liability	\$ 1,579,528	\$ 1,404,881	\$ 1,255,815

OPEB Plan Fiduciary Net Position

Detailed information about the HCTF plan's fiduciary net position is available in the separately issued comprehensive annual financial report issued by PERA. That report can be obtained at www.copera.org/investments/pera-financial-reports.

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 4 CASH, DEPOSITS, AND INVESTMENTS

Cash, deposits, and investments as of December 31, 2019 and 2018 are classified in the accompanying financial statements as follows:

	2019	2018
Governmental Activities:		
Unrestricted Cash and Investments	\$ 2,966,738	\$ 2,556,228
Restricted Cash and Investments	177	163,570
Total Governmental Activities	\$ 2,966,915	\$ 2,719,798
Cash Deposits	\$ 2,966,915	\$ 2,719,798
Total Cash and Investments	\$ 2,966,915	\$ 2,719,798

Deposits

As of December 31, 2019 and 2018, the carrying amounts of deposits for BCPH were \$2,966,915 and \$2,719,798, respectively.

Custodial Credit Risk

BCPH deposits are subject to and in accordance with the State of Colorado's Public Deposit Protection Act. Under the Act, all uninsured deposits are to be fully collateralized. The eligible collateral pledged must be held in custody by any Federal Reserve Bank, or branch thereof, or held in escrow by some other bank in a manner as the banking commissioner shall prescribe by rule and regulation, or may be segregated from the other assets of the eligible public depository and held in its own trust department.

All collateral so held must be clearly identified as being security maintained or pledged for the aggregate amount of public deposits accepted and held on deposit by the eligible public depository. The depository has the right at any time to make substitutions of eligible collateral maintained or pledged and is at all times entitled to collect and retain all income derived from those investments without restrictions.

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 5 CHANGES IN CAPITAL ASSETS

	Beginning Balance January 1, 2019	Increases	Decreases	Transfers	Ending Balance December 31, 2019
Capital Assets:					
Equipment	\$ 100,737	\$ -	\$ -	\$ -	\$ 100,737
Total Capital Assets	<u>100,737</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,737</u>
Less Accumulated Depreciation for:					
Equipment	<u>(76,659)</u>	<u>(4,054)</u>	<u>-</u>	<u>-</u>	<u>(80,713)</u>
Total Accumulated Depreciation	<u>(76,659)</u>	<u>(4,054)</u>	<u>-</u>	<u>-</u>	<u>(80,713)</u>
Capital Assets, Net	<u>\$ 24,078</u>	<u>\$ (4,054)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,024</u>
Depreciation Expense was Charged to Functions as Follows:					
Administration	<u>\$ 4,054</u>				
	Beginning Balance January 1, 2018	Increases	Decreases	Transfers	Ending Balance December 31, 2018
Capital Assets:					
Equipment	\$ 96,849	\$ 20,937	\$ (17,049)	\$ -	\$ 100,737
Total Capital Assets	<u>96,849</u>	<u>20,937</u>	<u>(17,049)</u>	<u>-</u>	<u>100,737</u>
Less Accumulated Depreciation for:					
Equipment	<u>(91,303)</u>	<u>(2,405)</u>	<u>17,049</u>	<u>-</u>	<u>(76,659)</u>
Total Accumulated Depreciation	<u>(91,303)</u>	<u>(2,405)</u>	<u>17,049</u>	<u>-</u>	<u>(76,659)</u>
Capital Assets, Net	<u>\$ 5,546</u>	<u>\$ 18,532</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,078</u>
Depreciation Expense was Charged to Functions as Follows:					
Administration	<u>\$ 2,405</u>				

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 6 LONG-TERM OBLIGATIONS

	Balance January 1, 2019	Additions	Deletions	Balance December 31, 2019	Due in One Year
Compensated Absences	\$ 590,304	\$ 736,701	\$ 644,144	\$ 682,861	\$ 72,837
	Balance January 1, 2018	Additions	Deletions	Balance December 31, 2018	Due in One Year
Compensated Absences	\$ 570,252	\$ 654,775	\$ 634,723	\$ 590,304	\$ 62,393

NOTE 7 NET POSITION AND FUND BALANCE - RESTRICTED FOR EMERGENCIES

At the general election held November 3, 1992, the voters of the State approved an amendment to the Colorado Constitution limiting the ability of the State and local governments such as BCPH to increase revenues, debt and spending and restricting property, income and other taxes. In addition, the amendment requires that the State and local governments obtain voter approval to create any multiple fiscal year direct or indirect debt or other financial obligation whatsoever without adequate present cash reserves pledged irrevocably and held for payments in all future fiscal years. The amendment also requires the establishment of an Emergency Reserve equal to 3% of fiscal year spending excluding debt service. BCPH has established an emergency reserve in the General Fund to meet the reserve requirement of \$55,877 and \$53,184 for 2019 and 2018, respectively.

In 2005, the County voters approved an ongoing exemption to all revenues and expenditures as had previously been applied to the TABOR Revenue Limit, the TABOR Property Tax Limit and the TABOR Expenditures Limit. The ballot issue requires the County to limit property tax levies for the 2006 fiscal year and beyond, to a maximum of an additional 0.6 mills up to the County's mill levy limit of 23.745 mills. Any additional property tax revenues that are levied, compared with the actual collections from the prior year, are to be allocated as follows for a period of five years commencing with the 2005 year:

- 20% to be utilized in funding health and human services, of which 1/3 will be directed to nonprofit agencies serving this purpose;
- 30% to be utilized in funding public safety programs;
- 6-2/3% to be utilized in sustainability (including renewable energy and energy efficiency) programs.

There are numerous uncertainties about the interpretation of the amendment and its application to particular governmental entities and their operations. It is possible that the constitutionality of the amendment as applied in some situations may be challenged on various grounds, including the argument that the amendment conflicts with other constitutional provisions and violates the protections afforded by the federal constitution against impairment of contract.

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 8 COMMITMENTS AND CONTINGENCIES

Federal and State Grants

Under the terms of federal and state grants, periodic audits may be required, and certain costs may be questioned as not being appropriate expenditures. Such audits could lead to reimbursements to the grantor agencies. BCPH management believes disallowances, if any, will be immaterial to its financial position and operations.

Risk Management

BCPH, as a component unit of the County, is self-insured for risks associated with workers' compensation and property/casualty claims and, therefore, is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The total liability for BCPH is included in the amount recorded in the County's Risk Management Internal Service Fund.

The County assumes risk for the first \$500,000 for each worker's compensation occurrence, the first \$100,000 for each property occurrence, and the first \$500,000 for each liability occurrence.

The County also maintains a self-funded health and dental plan, in which the County assumes risk for the first \$350,000 for each medical claim. Third-party insurance is purchased to protect the county above these amounts. Additionally, the County carries a crime policy with a \$25,000 deductible, and an equipment breakdown policy with a \$10,000 deductible.

The County has implemented GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, and established a risk management fund (an internal service fund) to account for and finance all uninsured risks of loss. With the implementation of GASB No. 10, liabilities of the risk management fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claims liabilities are calculated considering the effects of inflation, recent claims settlement trends including frequency and amount of payouts, and other economic and social factors.

There has been no significant reduction in insurance coverage from the prior year. There have been no settlements exceeding insurance coverage during the last three years.

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 9 RESTATEMENT

For the year ended December 31, 2019, there was no restatement.

For the year ended December 31, 2018, BCPH adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB no. 75), which is effective for financial statements beginning after June 15, 2017. GASB No. 75 revises and establishes new financial reporting requirements for most governments that provide postemployment benefits other than pensions (OPEB). GASB No. 75 requires cost-sharing employers participating in the Health Care Trust Fund (HCTF) administered by the Public Employees' Retirement Association of Colorado (PERA) to record their proportionate share, as defined in GASB No. 75, of the HCTF's net OPEB liability.

For BCPH, the effect of implementing this standard was to change how it accounts and reports the net OPEB liability. Implementation of the standard resulted in a restatement of the prior period net position as shown below.

Net Position, December 31, 2017, as Previously Reported	\$ (11,750,561)
Cumulative Effect of Application of GASB No. 75, Net OPEB Liability	(1,307,275)
Net Position, December 31, 2017, as Restated	<u><u>\$ (13,057,836)</u></u>

NOTE 10 SUBSEQUENT EVENT

Subsequent to year end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. In March 2020, the Governor of the State of Colorado declared a State of Emergency and the Boulder County Board of County Commissioners followed. While the full impact on the shutdown in the long-term is unclear and difficult to quantify, it is having significant effects of personnel, global markets, supply chains, business, communities and the State's overall economy. Management has taken actions to mitigate the negative impact of the pandemic, however, the full impact of COVID-19 is unknown and cannot be reasonably estimated.

REQUIRED SUPPLEMENTARY INFORMATION

**BOULDER COUNTY PUBLIC HEALTH
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2019**

	Original Budget	Final Budget	Actual	Actual vs. Final Budget Positive (Negative)
REVENUE				
Intergovernmental	\$ 15,771,842	\$ 15,636,055	\$ 15,287,558	\$ (348,497)
Charges for Services	1,484,686	1,484,686	1,591,085	106,399
Contributions	3,000	3,000	6,360	3,360
Interest and Miscellaneous	372,156	261,096	352,276	91,180
Total Revenue	<u>17,631,684</u>	<u>17,384,837</u>	<u>17,237,279</u>	<u>(147,558)</u>
EXPENDITURES				
General Administration	3,488,521	3,086,902	2,887,791	199,111
Strategic Initiatives	1,631,203	1,785,975	1,420,910	365,065
Family Health	2,535,803	2,535,803	2,621,611	(85,808)
Community Health	2,429,805	2,429,805	2,498,960	(69,155)
Environmental Health	5,813,257	5,813,257	5,579,285	233,972
Communicable Disease	1,733,095	1,733,095	1,671,478	61,617
Total Expenditures	<u>17,631,684</u>	<u>17,384,837</u>	<u>16,680,035</u>	<u>704,802</u>
Excess of Revenue Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	557,244	<u>\$ 557,244</u>
Fund Balance - Beginning of Year			<u>2,992,556</u>	
FUND BALANCE - END OF YEAR			<u><u>\$ 3,549,800</u></u>	

**BOULDER COUNTY PUBLIC HEALTH
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2018**

	Original Budget	Final Budget	Actual	Actual vs. Final Budget Positive (Negative)
REVENUE				
Intergovernmental	\$ 14,817,069	\$ 14,648,015	\$ 14,102,498	\$ (545,517)
Charges for Services	1,353,890	1,363,890	1,446,305	82,415
Contributions	2,231	2,231	4,279	2,048
Interest and Miscellaneous	414,133	276,355	403,932	127,577
Total Revenue	<u>16,587,323</u>	<u>16,290,491</u>	<u>15,957,014</u>	<u>(333,477)</u>
EXPENDITURES				
General Administration	3,183,664	3,181,094	3,029,349	151,745
Strategic Initiatives	1,738,657	1,516,123	1,379,225	136,898
Family Health	2,461,501	2,484,717	2,481,392	3,325
Community Health	2,393,506	2,371,430	2,299,799	71,631
Environmental Health	5,295,744	5,228,373	5,197,247	31,126
Communicable Disease	1,514,251	1,508,754	1,362,284	146,470
Total Expenditures	<u>16,587,323</u>	<u>16,290,491</u>	<u>15,749,296</u>	<u>541,195</u>
Excess of Revenue Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	207,718	<u>\$ 207,718</u>
Fund Balance - Beginning of Year			<u>2,784,838</u>	
FUND BALANCE - END OF YEAR			<u><u>\$ 2,992,556</u></u>	

**BOULDER COUNTY PUBLIC HEALTH
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
YEAR ENDED DECEMBER 31, 2019**

As of December 31,	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013**</u>
Boulder County Public Health's Proportion Percentage of the Collective Net Pension Liability*	1.376267672%	1.3911787610%	1.4061395603%	1.3620512512%	1.6617190262%	1.6617190262%
Boulder County Public Health's Proportionate Share of the Collective Net Pension Liability	\$ 17,302,616	\$ 15,489,802	\$ 18,987,679	\$ 15,004,098	\$ 14,894,137	\$ 13,404,068
Covered Payroll	\$ 9,018,675	\$ 9,041,869	\$ 8,202,153	\$ 7,730,126	\$ 9,157,808	\$ 9,475,978
Boulder County Public Health's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	191.85%	171.31%	231.50%	194.10%	162.64%	141.45%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (see PERA Local Gov't Plan Note 2)	75.96%	79.37%	73.65%	76.87%	80.72%	77.66%

*The percentage reported is Boulder County Public Health's percentage of Boulder County's proportionate share.

** First year information is available

**BOULDER COUNTY PUBLIC HEALTH
SCHEDULE OF PENSION CONTRIBUTIONS AND RELATED RATIOS
YEAR ENDED DECEMBER 31, 2019**

As of December 31,	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Statutorily Required Contributions	\$ 1,218,006	\$ 1,143,568	\$ 1,146,509	\$ 1,040,033	\$ 980,180	\$ 1,161,210	\$ 1,201,554	\$ 1,214,203	\$ 1,196,024	\$ 1,191,511
Contributions in Relation to Statutorily Required Contributions	<u>1,218,006</u>	<u>1,143,568</u>	<u>1,146,509</u>	<u>1,040,033</u>	<u>980,180</u>	<u>1,161,210</u>	<u>1,201,554</u>	<u>1,214,203</u>	<u>1,196,024</u>	<u>1,191,511</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 9,605,726	\$ 9,018,675	\$ 9,041,869	\$ 8,202,153	\$ 7,730,126	\$ 9,157,808	\$ 9,475,978	\$ 9,575,733	\$ 9,432,366	\$ 10,114,694
Contribution as a Percentage of Covered Payroll	12.68%	12.68%	12.68%	12.68%	12.68%	12.68%	12.68%	12.68%	12.68%	11.78%

**BOULDER COUNTY PUBLIC HEALTH
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY
YEAR ENDED DECEMBER 31, 2019**

As of December 31,	<u>2018</u>	<u>2017</u>	<u>2016**</u>
Boulder County Public Health's Proportion Percentage of the Collective Net OPEB Liability*	0.1066340885%	0.1081010262%	0.1079403356%
Boulder County Public Health's Proportionate Share of the Collective Net OPEB Liability	\$ 1,450,802	\$ 1,404,881	\$ 1,399,483
Covered Payroll	\$ 9,018,676	\$ 8,522,941	\$ 8,202,153
Boulder County Public Health's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	16.09%	16.48%	17.06%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (see PERA Local Gov't Plan Note 2)	17.03%	17.53%	16.72%

*The percentage reported is Boulder County Public Health's percentage of Boulder County's proportionate share.

** First year information is available

**BOULDER COUNTY PUBLIC HEALTH
SCHEDULE OF OPEB CONTRIBUTIONS AND RELATED RATIOS
YEAR ENDED DECEMBER 31, 2019**

As of December 31,	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Statutorily Required Contributions	\$ 97,978	\$ 91,990	\$ 86,934	\$ 83,662	\$ 78,847	\$ 93,410
Contributions in Relation to Statutorily Required Contributions	<u>97,978</u>	<u>91,990</u>	<u>86,934</u>	<u>83,662</u>	<u>78,847</u>	<u>93,410</u>
Contribution Deficiency (Excess)	<u>\$ -</u>					
Covered Payroll	\$ 9,605,726	\$ 9,018,675	\$ 8,522,941	\$ 8,202,153	\$ 7,730,126	\$ 9,157,843
Contribution as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2019**

Budget

Budgeted amounts included in the accompanying schedule are based on the budget adopted by the Board of Health and are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The original 2019 budget was adopted in March 2019 and the final 2019 budget was adopted in December 2019. The original 2018 budget was adopted in March 2018 and the final 2018 budget was adopted in November 2018. The Board of Health, a component unit of the County, budgets on a calendar year, in conformity with GAAP basis for all funds. Actual amounts included in the accompanying schedule include revenues and expenditures related to the transfer of the Addiction Recovery Center presented in the respective functional category.

The following procedures are used in establishing the budgetary data reflected in the schedule:

- (1) The level of budgetary control is established at the fund level for the Board of Health.
- (2) On or before June 1, the Budget Office prepares a proposed budget.
- (3) In June, a Board of Health study session is held to review the proposed budget.
- (4) On or before August 1, the Board of Health adopts the budget, and a request for the County funding portion of revenue is submitted to the Board of County Commissioners.
- (5) On or before December 1, the Board of County Commissioners establishes salaries for the upcoming year.
- (6) On or before January 15, prior year's expenditures are reviewed, the proposed budget is updated with current salaries and revised revenue and expenditures, and a final operating budget is developed.
- (7) The Board of Health enacts resolutions approving the operating budget, usually at the February Board meeting.
- (8) Expenditures may not legally exceed those approved by the Board of Health. Administrative control is maintained through the Board of Health's accounting system at the fund level. Funds may be reallocated within the fund level by departmental administrators without approval of the Board of Health. Any increase to the adopted budget requires that a supplemental budget be approved by the Board of Health.

SUPPLEMENTARY INFORMATION

**BOULDER COUNTY PUBLIC HEALTH
SCHEDULE OF REVENUES AND EXPENDITURES BY FUNCTION – GENERAL FUND
YEAR ENDED DECEMBER 31, 2019**

	General Administration	Strategic Initiatives	Family Health	Community Health	Environmental Health	Communicable Disease	Total
OPERATING REVENUE							
Intergovernmental:							
County	\$ 2,344,450	\$ 835,610	\$ 645,485	\$ 1,071,172	\$ 3,012,457	\$ 566,012	\$ 8,475,186
Local	173,238	-	69,803	48,352	980,416	-	1,271,809
Federal	424,154	-	892,323	269,440	162,482	763,272	2,511,671
State (Includes Federal Pass-through Funds)	401,676	37,924	924,479	743,049	573,633	348,131	3,028,892
Total Intergovernmental Revenue	<u>3,343,518</u>	<u>873,534</u>	<u>2,532,090</u>	<u>2,132,013</u>	<u>4,728,988</u>	<u>1,677,415</u>	<u>15,287,558</u>
Charges for Services	539,396	-	104,949	-	879,770	66,970	1,591,085
Contributions	-	5	-	6,355	-	-	6,360
Interest	117,024	-	-	-	-	-	117,024
Miscellaneous	25,327	56,543	62,736	39,899	50,747	-	235,252
Total Other Revenues	<u>681,747</u>	<u>56,548</u>	<u>167,685</u>	<u>46,254</u>	<u>930,517</u>	<u>66,970</u>	<u>1,949,721</u>
Total Revenue	4,025,265	930,082	2,699,775	2,178,267	5,659,505	1,744,385	17,237,279
OPERATING EXPENDITURES							
Salaries	1,691,133	929,922	1,739,987	1,514,597	3,136,580	1,009,317	10,021,536
Fringes	591,630	307,408	587,686	533,046	1,015,286	334,741	3,369,797
Supplies	126,638	13,070	76,433	95,171	59,567	100,447	471,326
Professional/Tech Services	128,950	73,687	135,631	245,838	945,318	183,281	1,712,705
Property Services	209,026	63,670	-	-	2,841	3,498	279,035
Other Purchased Services	15,283	7,775	18,144	19,468	27,391	9,095	97,156
Other Expenditures	125,131	25,378	63,730	90,840	392,302	31,099	728,480
Total Expenditures	<u>2,887,791</u>	<u>1,420,910</u>	<u>2,621,611</u>	<u>2,498,960</u>	<u>5,579,285</u>	<u>1,671,478</u>	<u>16,680,035</u>
OPERATING INCOME (LOSS)	1,137,474	(490,828)	78,164	(320,693)	80,220	72,907	557,244
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,137,474</u>	<u>\$ (490,828)</u>	<u>\$ 78,164</u>	<u>\$ (320,693)</u>	<u>\$ 80,220</u>	<u>\$ 72,907</u>	<u>\$ 557,244</u>

**BOULDER COUNTY PUBLIC HEALTH
SCHEDULE OF REVENUES AND EXPENDITURES BY FUNCTION – GENERAL FUND
YEAR ENDED DECEMBER 31, 2018**

	General Administration	Strategic Initiatives	Family Health	Community Health	Environmental Health	Communicable Disease	Total
OPERATING REVENUE							
Intergovernmental:							
County	\$ 1,907,275	\$ 952,661	\$ 653,608	\$ 1,067,628	\$ 3,104,797	\$ 566,136	\$ 8,252,105
Local	153,844	6,000	101,769	80,057	809,448	-	1,151,118
Federal	410,979	-	838,853	240,174	132,038	487,221	2,109,265
State (Includes Federal Pass-through Funds)	418,322	33,553	768,373	684,876	318,950	365,936	2,590,010
Total Intergovernmental Revenue	<u>2,890,420</u>	<u>992,214</u>	<u>2,362,603</u>	<u>2,072,735</u>	<u>4,365,233</u>	<u>1,419,293</u>	<u>14,102,498</u>
Charges for Services	229,946	235,643	47,548	130,603	786,539	16,026	1,446,305
Contributions	-	-	-	4,279	-	-	4,279
Interest	52,464	-	-	-	-	-	52,464
Miscellaneous	57,461	99,558	1,494	119,775	71,524	1,656	351,468
Total Other Revenues	<u>339,871</u>	<u>335,201</u>	<u>49,042</u>	<u>254,657</u>	<u>858,063</u>	<u>17,682</u>	<u>1,854,516</u>
Total Revenue	3,230,291	1,327,415	2,411,645	2,327,392	5,223,296	1,436,975	15,957,014
OPERATING EXPENDITURES							
Salaries	1,869,329	862,380	1,670,574	1,419,549	2,772,610	851,915	9,446,357
Fringes	543,782	299,427	594,998	527,766	936,907	284,527	3,187,407
Supplies	97,776	19,003	44,316	56,722	35,587	104,933	358,337
Professional/Tech Services	157,927	137,473	31,730	202,540	723,241	56,916	1,309,827
Property Services	213,992	36,523	45,968	3,447	20,572	6,045	326,547
Other Purchased Services	11,187	8,891	18,144	28,645	51,871	12,221	130,959
Other Expenditures	135,356	15,528	75,662	61,130	656,459	45,727	989,862
Total Expenditures	<u>3,029,349</u>	<u>1,379,225</u>	<u>2,481,392</u>	<u>2,299,799</u>	<u>5,197,247</u>	<u>1,362,284</u>	<u>15,749,296</u>
OPERATING INCOME (LOSS)	200,942	(51,810)	(69,747)	27,593	26,049	74,691	207,718
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 200,942</u>	<u>\$ (51,810)</u>	<u>\$ (69,747)</u>	<u>\$ 27,593</u>	<u>\$ 26,049</u>	<u>\$ 74,691</u>	<u>\$ 207,718</u>

GOVERNMENTAL AUDITING STANDARDS REPORT



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Health
Boulder County Public Health
Boulder, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and major fund of Boulder County Public Health, a component unit of Boulder County, Colorado, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Boulder County Public Health's basic financial statements, and have issued our report thereon dated January 25, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Boulder County Public Health's internal control over financial reporting (internal control) to determine the 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 Boulder County Public Health's internal control. Accordingly, we do not express an opinion on the effectiveness of Boulder County Public Health's internal control.

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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Boulder County Public Health’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Broomfield, Colorado
January 25, 2021

**BOULDER COUNTY PUBLIC HEALTH
SCHEDULE OF FINDINGS
YEAR ENDED DECEMBER 31, 2019**

There were no findings required to be reported under *Government Auditing Standards* for the fiscal year ended December 31, 2019.