

BOULDER COUNTY PUBLIC HEALTH
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEARS ENDED DECEMBER 31, 2020 AND 2019



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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, 2020 and 2019, 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, 2020 and 2019, 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 43, the schedule of pension contributions and related ratios on page 44, the schedule of proportionate share of the other postemployment benefits liability on page 45, the schedule of other postemployment benefits contributions and related ratios on page 46, and budgetary comparison information on pages 41 and 42 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

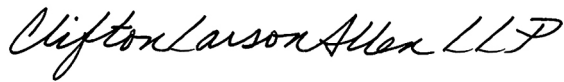
Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Boulder County Public Health's basic financial statements. The schedule of revenues and expenditures by function – general fund is presented for purposes of additional analysis and 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.

Board of Health
Boulder County Public Health

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2022, 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
March 17, 2022

**BOULDER COUNTY PUBLIC HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

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, 2020 and 2019.

Financial Highlights

BCPH's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$8,414,952 at December 31, 2020 and by \$11,621,547 at December 31, 2019. This is primarily related to BCPH's participation in a defined benefit pension plan administered by the Colorado Public Employees' Retirement Association (PERA). See Note 7 for further information.

At December 31, 2020, BCPH's governmental fund reports an ending balance of \$5,584,258, which is an increase of \$2,034,458 from the balance at December 31, 2019. Approximately 97% of the total amount, \$5,427,495 is the unrestricted fund balance available for spending at the government's discretion. At December 31, 2019, BCPH's governmental fund had 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, 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.

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.

**BOULDER COUNTY PUBLIC HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

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.

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, total liabilities and deferred inflows of resources exceed the amount of total assets and deferred outflows of resources by \$8,414,952 at December 31, 2020. Total liabilities and deferred inflows of resources exceed the amount of total assets and deferred outflows of resources by \$11,621,547 at December 31, 2019.

An additional portion of BCPH's net position, \$156,763 and \$56,054 for 2020 and 2019, respectively, represents resources that are subject to external restrictions on how they may be used. The largest deficit of net position is unrestricted, \$(8,478,532) and \$(11,697,625) for 2020 and 2019, respectively, representing resources available (or not available) to meet the government's ongoing obligations. The negative balances are primarily the result of the net pension liability, net OPEB liability, and related deferred outflows of resources and deferred inflows of resources.

**BOULDER COUNTY PUBLIC HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

Boulder County Public Health's Net Position

	Governmental Activities		
	2020	2019	2018
Current and Other Assets	\$ 7,828,775	\$ 4,580,943	\$ 3,926,533
Capital Assets	15,970	20,024	24,078
Total Assets	<u>7,844,745</u>	<u>4,600,967</u>	<u>3,950,611</u>
Deferred Outflows of Resources	2,093,205	4,361,165	2,547,763
Long-Term Liabilities Outstanding	12,230,175	19,363,442	17,422,594
Other Liabilities	1,658,126	1,094,990	986,545
Total Liabilities	<u>13,888,301</u>	<u>20,458,432</u>	<u>18,409,139</u>
Deferred Inflows of Resources	<u>4,464,601</u>	<u>125,247</u>	<u>3,040,067</u>
Net Position:			
Invested in Capital Assets	15,970	20,024	24,078
Restricted for Emergencies	156,763	55,877	53,184
Restricted for Mosquito Control	-	177	163,570
Unrestricted	<u>(8,587,685)</u>	<u>(11,697,625)</u>	<u>(15,191,664)</u>
Total Net Position	<u>\$ (8,414,952)</u>	<u>\$ (11,621,547)</u>	<u>\$ (14,950,832)</u>

Governmental Activities

Governmental activities for BCPH increased net position by \$3,206,595 in 2020. Governmental activities for BCPH increased net position by \$3,206,595 in 2019. The increase in net position in 2020 is primarily the result of increased funding as BCPH responded to the COVID-19 public health emergency. The increase in net position in 2019 is largely the result of changes in the net pension liability.

**BOULDER COUNTY PUBLIC HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

Boulder County Public Health Governmental Activities

	Governmental Activities		
	2020	2019	2018
Revenues:			
Program Revenues:			
Charges for Services	\$ 1,283,733	\$ 1,591,085	\$ 1,446,305
Operating Grants and Contributions	9,658,785	7,053,984	6,206,140
General Revenues:			
Contribution from Boulder County (PPrimary Government)	8,854,814	8,475,186	8,252,105
Investment Earnings	93,373	117,024	52,464
Total Revenues	<u>19,890,705</u>	<u>17,237,279</u>	<u>15,957,014</u>
Expenses:			
General Administration	2,691,527	2,423,379	3,451,128
Other Administrative Programs	2,989,853	1,163,310	1,572,696
Family Health Programs	2,442,728	2,139,612	2,856,178
Community Health Programs	2,249,307	2,079,397	2,618,269
Environmental Health Programs	4,780,868	4,710,412	5,819,269
Communicable Disease Programs	1,529,827	1,391,884	1,532,470
Total Expenses	<u>16,684,110</u>	<u>13,907,994</u>	<u>17,850,010</u>
Change in Net Position	3,206,595	3,329,285	(1,892,996)
Net Position - Beginning of Year (as Restated)	<u>(11,621,547)</u>	<u>(14,950,832)</u>	<u>(13,057,836)</u>
Net Position - End of Year	<u>\$ (8,414,952)</u>	<u>\$ (11,621,547)</u>	<u>\$ (14,950,832)</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, 2020 and 2019, BCPH's General Fund reported an ending balance of \$5,584,258 and \$3,549,800, respectively, an increase of \$2,034,458 for 2020 from 2019, and an increase of \$557,244 for 2019 from 2018. At December 31, 2020 and 2019, approximately 94% and 93%, or \$5,427,495 and \$3,293,746, respectively, of the total amount, constitutes unrestricted fund balance, which is available for spending at BCPH's discretion. The remainder of fund balance, restricted for emergencies and mosquito control, is not otherwise available for new spending.

**BOULDER COUNTY PUBLIC HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

General Fund Budgetary Highlights

Differences between the actual 2020 expenditures and budget, approved by the Board of Health, totaled \$809,579 with budgeted amounts exceeding actual. Explanations for the differences are summarized as follows:

\$212,851 actual less than budget for salaries and benefits primarily attributable to lower than anticipated spending as well as vacant positions (all divisions).

\$596,728 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 2019 expenditures and budget, approved by the Board of Health, totaled \$704,802 with budgeted amounts exceeding actual. Explanations for the differences 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).

Capital Assets

Boulder County Public Health's investment in capital assets, at December 31, 2020 and 2019, expressed net of depreciation is \$15,970 and \$20,024, respectively. Investment in capital assets includes building improvements, internally developed computer software and other equipment.

Capital Assets (Net of Depreciation)

	Governmental Activities		
	2020	2019	2018
Equipment	\$ 15,970	\$ 20,024	\$ 24,078

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, 2020 AND 2019**

	2020	2019
ASSETS		
Cash and Investments	\$ 4,094,532	\$ 2,966,738
Restricted Cash and Investments	-	177
Due from Other Governments	1,040,451	1,614,028
Due from Boulder County	2,693,792	-
	7,828,775	4,580,943
Capital Assets, Net of Accumulated Depreciation of \$84,770 and \$80,713 for 2020 and 2019, Respectively	15,970	20,024
Total Assets	7,844,745	4,600,967
DEFERRED OUTFLOWS OF RESOURCES		
Related to Pension	1,957,679	4,211,790
Related to Other Postemployment Benefits	135,526	149,375
Total Deferred Outflows of Resources	2,093,205	4,361,165
LIABILITIES		
Accounts Payable	332,773	237,304
Accrued Salaries and Benefits	246,752	228,926
Accrued Payroll Liabilities	22,698	219,371
Unearned Revenue	971,649	336,552
Compensated Absences:		
Due within One Year	84,254	72,837
Due in More than One Year	796,746	610,024
Net Pension Liability	10,229,987	17,302,616
Net Other Postemployment Benefits Liability	1,203,442	1,450,802
Total Liabilities	13,888,301	20,458,432
DEFERRED INFLOWS OF RESOURCES		
Related to Pension	4,215,704	106,940
Related to Other Postemployment Benefits	248,897	18,307
Total Deferred Inflows of Resources	4,464,601	125,247
NET POSITION		
Investment in Capital Assets	15,970	20,024
Restricted:		
Restricted for Emergencies	156,763	55,877
Restricted for Mosquito Control	-	177
Unrestricted	(8,587,685)	(11,697,625)
Total Net Position	\$ (8,414,952)	\$ (11,621,547)

See accompanying Notes to Financial Statements.

**BOULDER COUNTY PUBLIC HEALTH
STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

		Program Revenue		
Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position	
Governmental Activities:				
General Administration	\$ 2,691,527	\$ 484,737	\$ 1,167,533	\$ (1,039,257)
Strategic Initiatives	2,989,853	-	3,342,868	353,015
Family Health	2,442,728	27,829	1,788,471	(626,428)
Community Health	2,249,307	-	1,130,170	(1,119,137)
Environmental Health	4,780,868	747,873	1,219,691	(2,813,304)
Communicable Disease	1,529,827	23,294	1,010,052	(496,481)
	\$ 16,684,110	\$ 1,283,733	\$ 9,658,785	(5,741,592)
General Revenues:				
Contribution from Boulder County				8,854,814
Investment Earnings				93,373
Total General Revenues				8,948,187
Change in Net Position				3,206,595
Net Position - Beginning of Year				(11,621,547)
Net Position - End of Year				\$ (8,414,952)

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
BALANCE SHEETS – GOVERNMENTAL FUND – GENERAL FUND
DECEMBER 31, 2020 AND 2019**

	2020	2019
ASSETS		
Cash and Investments	\$ 4,094,532	\$ 2,966,738
Restricted Cash and Investments	-	177
Accounts Receivable, Net of Allowance of \$-0- for 2020 and 2019	-	-
Due from Other Governments	1,040,451	1,614,028
Due from Boulder County	2,693,792	-
Other Assets	-	-
Total Assets	\$ 7,828,775	\$ 4,580,943
LIABILITIES		
Accounts Payable	\$ 332,773	\$ 237,304
Accrued Salaries and Benefits	246,752	228,926
Accrued Payroll Liabilities	22,698	219,371
Matured Compensated Absences	11,975	8,990
Escrows Payable	-	-
Unearned Revenue	971,649	336,552
Total Liabilities	1,585,847	1,031,143
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenues	658,670	-
Total Deferred Inflows of Resources	658,670	-
FUND BALANCE		
Restricted:		
Restricted for Emergencies	156,763	55,877
Restricted for Mosquito Control	-	177
Total Restricted Fund Balance	156,763	56,054
Unrestricted:		
Committed for Emergency Preparedness Contingency	200,000	200,000
Assigned	884,898	62,200
Unassigned	4,342,597	3,231,546
Total Unrestricted Fund Balance	5,427,495	3,493,746
Total Fund Balance	5,584,258	3,549,800
Total Liabilities and Fund Balance	\$ 7,828,775	\$ 4,580,943

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, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
Governmental Fund Balance	\$ 5,584,258	\$ 3,549,800
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	15,970	20,024
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund:		
Compensated Absences	(869,025)	(673,871)
Net Pension Liability	(10,229,987)	(17,302,616)
Net Other Postemployment Benefits Liability	(1,203,442)	(1,450,802)
Because the focus of governmental funds is on current resources, some assets will not be available to pay for current-period expenditures. Those receivables are offset by deferred inflows of resources in the governmental funds and are not included in fund balance		
	658,670	-
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	1,957,679	4,211,790
Related to Other Postemployment Benefits	135,526	149,375
Deferred inflows are not available to pay current expenditures and, therefore, are not reported in the fund:		
Related to Pension	(4,215,704)	(106,940)
Related to Other Postemployment Benefits	<u>(248,897)</u>	<u>(18,307)</u>
Net Position of Governmental Activities	<u>\$ (8,414,952)</u>	<u>\$ (11,621,547)</u>

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, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
REVENUES		
Intergovernmental	\$ 17,632,320	\$ 15,287,558
Charges for Services	1,283,733	1,591,085
Contributions	32,270	6,360
Interest and Miscellaneous	283,712	352,276
Total Revenues	<u>19,232,035</u>	<u>17,237,279</u>
EXPENDITURES		
General Administration	2,772,426	2,887,791
Strategic Initiatives	3,075,223	1,420,910
Family Health	2,527,898	2,621,611
Community Health	2,325,217	2,498,960
Environmental Health	4,913,965	5,579,285
Communicable Disease	1,582,848	1,671,478
Total Expenditures	<u>17,197,577</u>	<u>16,680,035</u>
NET CHANGE IN FUND BALANCE	2,034,458	557,244
Fund Balance - Beginning of Year	<u>3,549,800</u>	<u>2,992,556</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 5,584,258</u></u>	<u><u>\$ 3,549,800</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, 2020 AND 2019**

	2020	2019
Change in Fund Balance - Governmental Fund	\$ 2,034,458	\$ 557,244
<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 activities, the cost of those assets is allocated over their useful lives and reported as depreciation expense.</p>		
Depreciation Expense	(4,054)	(4,054)
<p>Some expenses reported in the statements of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund:</p>		
Compensated Absences	(195,154)	(93,392)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenue</p>		
Earned but unavailable revenue	658,670	-
<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 Expense	709,754	2,893,832
Other Postemployment Benefits Expense	2,921	(24,345)
Change in Net Position of Governmental Activities	\$ 3,206,595	\$ 3,329,285

See accompanying Notes to Financial Statements.

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

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, 2020 AND 2019**

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). Measurable 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, 2020 and 2019, BCPH had no allowance for doubtful accounts.

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

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, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions

The BCPH participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the 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, 2020 and 2019, 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, 2020 and 2019, 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, 2020 and 2019, \$156,763 and \$56,054, 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, 2020 and 2019, \$200,000 and \$200,000, respectively, is classified as committed.

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

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, 2020 and 2019, \$884,898 and \$62,200, 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, 2020 and 2019, BCPH had \$4,342,597 and \$3,231,546, 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.

NOTE 2 CASH AND INVESTMENTS

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

Cash, deposits, and investments as of December 31, 2020 and 2019 are classified in the accompanying financial statements as follows:

	2020	2019
Governmental Activities:		
Unrestricted Cash and Investments	\$ 4,094,532	\$ 2,966,738
Restricted Cash and Investments	-	177
Total Governmental Activities	\$ 4,094,532	\$ 2,966,915
Pooled Cash with Boulder County Investments	\$ 4,085,267 9,265	\$ 2,966,915 -
Total Cash and Investments	\$ 4,094,532	\$ 2,966,915

Deposits

As of December 31, 2020 and 2019, the carrying amounts of deposits for BCPH were \$4,034,880 and \$2,966,915, respectively.

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements

BCPH reports its investments using the fair value measurements established by generally accepted accounting principles. As such, a fair value hierarchy categorizes the inputs used to measure the fair value of the investments into three levels. Level 1 inputs are quoted prices in active markets for identical investments; Level 2 inputs include quoted prices in active markets for similar investments, or other observable inputs; and Level 3 inputs are unobservable inputs. BCPH's investments in an external government investment pool is measured at Net Asset Value (NAV).

Local Government Investment Pools

At December 31, 2020, BCPH has \$9,000 invested in the Colorado Local Government Liquid Trust (ColoTrust) Plus+ Fund, which is an external investment pool established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the pool. The external investment pool is measured at the net asset value (NAV) per share, with each share valued at \$1.00. The pool is rated AAA by Standard and Poor's. Investments of the pools are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

Interest Rate Risk

State statutes generally limit the maturity of investment securities to five years from the date of purchase, unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk

State statutes limit certain investments to those with specified ratings from nationally recognized statistical rating organizations, depending on the type of investment.

Concentration of Credit Risk

State statutes do not limit the amount the District may invest in one issuer of investment securities, except for corporate securities.

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 3 CAPITAL ASSETS

	Beginning Balance January 1, 2020	Increases	Decreases	Ending Balance December 31, 2020
Capital Assets:				
Equipment	\$ 100,737	\$ -	\$ -	\$ 100,737
Total Capital Assets	100,737	-	-	100,737
Less Accumulated Depreciation for:				
Equipment	(80,713)	(4,054)	-	(84,767)
Total Accumulated Depreciation	(80,713)	(4,054)	-	(84,767)
Capital Assets, Net	<u>\$ 20,024</u>	<u>\$ (4,054)</u>	<u>\$ -</u>	<u>\$ 15,970</u>
Depreciation Expense was Charged to Functions as Follow s:				
Administration	<u>\$ 4,054</u>			
	Beginning Balance January 1, 2019	Increases	Decreases	Ending Balance December 31, 2019
Capital Assets:				
Equipment	\$ 100,737	\$ -	\$ -	\$ 100,737
Total Capital Assets	100,737	-	-	100,737
Less Accumulated Depreciation for:				
Equipment	(76,659)	(4,054)	-	(80,713)
Total Accumulated Depreciation	(76,659)	(4,054)	-	(80,713)
Capital Assets, Net	<u>\$ 24,078</u>	<u>\$ (4,054)</u>	<u>\$ -</u>	<u>\$ 20,024</u>
Depreciation Expense was Charged to Functions as Follow s:				
Administration	<u>\$ 4,054</u>			

NOTE 4 LONG-TERM OBLIGATIONS

	Balance January 1, 2020	Additions	Deletions	Balance December 31, 2020	Due in One Year
Compensated Absences	<u>\$ 682,861</u>	<u>\$ 664,212</u>	<u>\$ 466,073</u>	<u>\$ 881,000</u>	<u>\$ 84,254</u>
	Balance January 1, 2019	Additions	Deletions	Balance December 31, 2019	Due in One Year
Compensated Absences	<u>\$ 590,304</u>	<u>\$ 736,701</u>	<u>\$ 644,144</u>	<u>\$ 682,861</u>	<u>\$ 72,837</u>

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 5 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 \$156,763 and \$55,877 for 2020 and 2019, 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.

NOTE 6 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.

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 6 COMMITMENTS AND CONTINGENCIES (CONTINUED)

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 established a risk management fund (an internal service fund) to account for and finance all uninsured risks of loss. 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.

NOTE 7 DEFINED BENEFIT PENSION PLAN

General Information About the Pension Plan

Plan Description

Eligible employees of the BCPH are provided with pensions through the 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.

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 7 DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information About the Pension Plan (Continued)

Benefits Provided as of December 31, 2019

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.

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

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- 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 five years of service credit has been obtained and the benefit structure under which contributions were made.

As of December 31, 2019, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, the annual increase for 2019 is 0.00% for all benefit recipients. 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 of 1.25% unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413.

Benefit recipients under the PERA benefit structure who began eligible employment on or after January 1, 2007 will receive the lessor of an annual increase of 1.25% or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10% of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 7 DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information About the Pension Plan (Continued)

Benefits Provided as of December 31, 2019 (Continued)

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 lifetime retirement benefit formula(s) 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.

Contributions provisions as of December 31, 2020: Eligible employees and the 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, et seq. and § 24-51-413. Employee contribution rates for the period of 1/1/2020 through 12/31/2020 are summarized in the table below:

	January 1, 2020 Through <u>June 30, 2020</u>	July 1, 2020 Through <u>December 31, 2020</u>
Employer Contribution Rate ¹	10.00 %	10.50 %
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 %	9.48 %
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	<u>1.50 %</u>	<u>1.50 %</u>
Total Employer Contribution Rate to the LGDTF ¹	<u>12.68 %</u>	<u>13.18 %</u>

¹Contribution rates for the LGDTF 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 the BCPH is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from BCPH were \$1,273,645 for the year ended December 31, 2020.

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 7 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

At December 31, 2020, the BCPH reported a liability of \$10,229,986 for its proportionate share of the net pension liability. The net pension liability for the LGDTF was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total pension liability to December 31, 2019. The BCPH's proportion of the net pension liability was based on the BCPH's contributions to the LGDTF for the calendar year 2019 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2019, the BCPH's proportion was 1.398702815%, which was an increase of 0.022435143% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the BCPH recognized pension expense of (\$1,983,399). At December 31, 2020, the BCPH reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2020		2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 669,433	\$ -	\$ 723,476	\$ -
Changes of Assumptions or Other Inputs	-	-	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	4,185,227	2,253,294	-
Changes in Proportion and Differences Between Contributions Recognized and Proportionate Share of Contributions	14,601	30,477	17,014	106,940
Contributions Subsequent to the Measurement Date	1,273,645	-	1,218,006	-
Total	<u>\$1,957,679</u>	<u>\$4,215,704</u>	<u>\$4,211,790</u>	<u>\$ 106,940</u>

\$1,273,645 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, 2021. 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>
2021	\$ (726,543)
2022	(1,199,163)
2023	(177,957)
2024	(1,428,007)

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 7 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Actuarial Assumptions

The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

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% factor applied to male rates and a 55% factor applied to female rates.

Post-retirement non-disabled mortality assumptions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

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 January 1, 2007; and DPS Benefit Structure (Automatic)	1.25% Compounded Annually Annually
PERA Benefit Structure hired after December 31, 2006 (Ad Hoc, Substantively Automatic)	Financed by the Annual Increase Reserve

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

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

The actuarial assumptions used in the December 31, 2018, 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 the PERA Board during the November 18, 2016, Board meeting.

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 7 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Actuarial Assumptions (Continued)

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 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>	

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, 2020 AND 2019**

NOTE 7 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (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 additional 0.50 resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. 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 additional 0.50%, resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020, 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 0.50% every year until they are zero. Additionally, estimated employer contributions reflect 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 to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The 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.
- The projected benefit payments reflect the lowered annual increase cap, from 1.50% to 1.25% resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020.
- 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, 2020 AND 2019**

NOTE 7 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Discount Rate (Continued)

Based on the above assumptions and methods, 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.

Sensitivity of the BCPH's 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:

	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
As of December 31, 2020			
Proportionate Share of the Net Pension Liability	\$ 18,791,726	\$ 10,229,987	\$ 3,029,646
	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
As of December 31, 2019			
Proportionate Share of the Net Pension Liability	\$ 26,469,426	\$ 17,302,616	\$ 9,633,653

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.

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

General Information about the OPEB Plan

Plan Description

Eligible employees of the BCPH are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by 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. 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

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, School, Local Government and Judicial), 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.

Enrollment in the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. 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
DECEMBER 31, 2020 AND 2019**

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

General Information about the OPEB Plan (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.

DPS Benefit Structure

The maximum service-based premium subsidy is \$230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for retirees 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 subsidy, in each case, is for retirees 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 retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum \$230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

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.

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

General Information about the OPEB Plan (Continued)

Contributions (Continued)

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the BCPH is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the BCPH were \$100,367 for the year ended December 31, 2020.

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

At December 31, 2020, the BCPH reported a liability of \$1,203,442 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2019. The BCPH's proportion of the net OPEB liability was based on the BCPH's contributions to the HCTF for the calendar year 2019 relative to the total contributions of participating employers to the HCTF.

At December 31, 2019, the BCPH's proportion was 0.107067955%, which was an increase of 0.0004338664% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the BCPH recognized OPEB expense of \$(103,288).

At December 31, 2020 the BCPH reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2020		2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 3,994	\$ 202,222	\$ 5,266	\$ 2,208
Changes of Assumptions or Other Inputs	9,984	-	10,177	-
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	20,087	8,343	-
Changes in Proportion and Differences Between Contributions Recognized and Proportionate Share of Contributions	21,181	26,588	27,611	16,099
Contributions Subsequent to the Measurement Date	100,367	-	97,978	-
Total	<u>\$ 135,526</u>	<u>\$ 248,897</u>	<u>\$ 149,375</u>	<u>\$ 18,307</u>

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

\$100,367 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2021. 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>
2021	\$ (41,749)
2022	(41,747)
2023	(35,931)
2024	(49,806)
2025	(41,992)
Thereafter	(2,513)

Actuarial Assumptions

The total OPEB liability in the December 31, 2018 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 % 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	5.60% in 2019, gradually decreasing to 4.50% in 2029
Medicare Part A Premiums	3.50% for 2019, gradually increasing to 4.50% in 2029

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, 2018, 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 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.

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

Actuarial Assumptions (Continued)

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A, the following monthly costs/premiums are assumed for 2019 for the PERA Benefit Structure:

<u>Medicare Plan</u>	<u>Cost for Members Without Medicare Part A</u>	<u>Premiums for Members Without Medicare Part A</u>
Medicare Advantage/Self-Insured Prescription	\$ 601	\$ 240
Kaiser Permanente Medicare Advantage HMO	605	237

The 2019 Medicare Part A premium is \$437 per month.

In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age 65 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</u>
Medicare Advantage/Self-Insured Prescription	\$ 562
Kaiser Permanente Medicare Advantage HMO	571

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 industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2018, 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.

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

Actuarial Assumptions (Continued)

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>
2019	5.60%	3.50%
2020	8.60%	3.50%
2021	7.30%	3.50%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	3.75%
2025	5.30%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

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.

Post-retirement non-disabled 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% factor applied to rates for ages less than 80, a 108% 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% factor applied to rates for ages less than 80, a 109% factor applied to rates for ages 80 and above, and further adjustments for credibility.

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

Actuarial Assumptions (Continued)

Post-retirement non-disabled 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% factor applied to rates for ages less than 80, a 113% 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% factor applied to rates for ages less than 80, a 106% factor applied to rates for ages 80 and above, and further adjustments for credibility.

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

The following health care costs assumptions were updated 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 2019 plan year.
- The morbidity assumptions were updated to reflect the assumed standard aging factors.
- 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 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 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 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.

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

Actuarial Assumptions (Continued)

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>	

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

The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
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	\$ 1,174,855	\$ 1,203,442	\$ 1,236,476

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

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, 2019, 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 to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the projection test indicates the HCTF's fiduciary net position was projected 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, and therefore, the discount rate is 7.25%.

**BOULDER COUNTY PUBLIC HEALTH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

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

The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the 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 rate:

	1% Decrease (6.25%)	Current Discout Rate (7.25%)	1% Increase (8.25%)
As of December 31, 2020			
Proportionate Share of the Net OPEB Liability	\$ 1,360,733	\$ 1,203,442	\$ 1,068,925
As of December 31, 2019			
Proportionate Share of the Net OPEB Liability	\$ 1,623,321	\$ 1,450,802	\$ 1,303,314

OPEB plan fiduciary net position. Detailed information about the HCTF'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.

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, 2020**

	Original Budget	Final Budget	Actual	Actual vs. Final Budget Positive (Negative)
REVENUE				
Intergovernmental	\$ 15,814,808	\$ 16,173,097	\$ 17,632,320	\$ 1,459,223
Charges for Services	1,484,686	1,664,011	1,283,733	(380,278)
Contributions	-	-	32,270	32,270
Interest and Miscellaneous	84,500	170,048	283,712	113,664
Total Revenue	<u>17,383,994</u>	<u>18,007,156</u>	<u>19,232,035</u>	<u>1,224,879</u>
EXPENDITURES				
General Administration	3,177,567	3,592,059	2,772,426	819,633
Strategic Initiatives	1,514,868	1,552,649	3,075,223	(1,522,574)
Family Health	2,587,733	2,635,039	2,527,898	107,141
Community Health	2,582,404	2,663,061	2,325,217	337,844
Environmental Health	5,831,817	6,002,586	4,913,965	1,088,621
Communicable Disease	1,689,605	1,561,762	1,582,848	(21,086)
Total Expenditures	<u>17,383,994</u>	<u>18,007,156</u>	<u>17,197,577</u>	<u>809,579</u>
Excess of Revenue Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	2,034,458	<u>\$ 2,034,458</u>
Fund Balance - Beginning of Year			<u>3,549,800</u>	
FUND BALANCE - END OF YEAR			<u>\$ 5,584,258</u>	

**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>\$ 3,549,800</u>	

**BOULDER COUNTY PUBLIC HEALTH
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
YEAR ENDED DECEMBER 31, 2020**

Fiscal Year - December 31,	2020	2019	2018	2017	2016	2015	2014
Plan Measurement Date - December 31,	2019	2018	2017	2016	2015	2014	2013
Boulder County Public Health's Proportion Percentage of the Collective Net Pension Liability*	1.398702815%	1.376267672%	1.391178761%	1.406139589%	1.362051251%	1.661719026%	1.628840142%
Boulder County Public Health's Proportionate Share of the Collective Net Pension Liability	\$ 10,237,674	\$ 17,302,616	\$ 15,489,802	\$ 18,987,679	\$ 15,004,098	\$ 14,894,137	\$ 13,404,068
Covered Payroll	\$ 9,605,718	\$ 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	106.58%	191.85%	171.31%	231.50%	194.10%	162.64%	141.45%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.26%	75.96%	79.37%	73.60%	76.90%	80.70%	77.66%

* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Information earlier than 2013 was not available.

**BOULDER COUNTY PUBLIC HEALTH
SCHEDULE OF PENSION CONTRIBUTIONS AND RELATED RATIOS
YEAR ENDED DECEMBER 31, 2020**

As of December 31,	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Statutorily Required Contributions	\$1,273,645	\$1,218,005	\$1,143,568	\$1,146,509	\$1,040,033	\$ 980,180	\$1,161,210	\$1,201,554	\$1,214,203	\$1,196,024
Contributions in Relation to Statutorily Required Contributions	<u>1,273,645</u>	<u>1,218,005</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>
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	\$9,839,897	\$9,605,718	\$9,018,675	\$9,041,869	\$8,202,153	\$7,730,126	\$9,157,808	\$9,475,978	\$9,575,733	\$9,432,366
Contribution as a Percentage of Covered Payroll	12.94%	12.68%	12.68%	12.68%	12.68%	12.68%	12.68%	12.68%	12.68%	12.68%

**BOULDER COUNTY PUBLIC HEALTH
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY
YEAR ENDED DECEMBER 31, 2020**

Fiscal Year - December 31,	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Plan Measurement Date - December 31,	2019	2018	2017	2016
Boulder County Public Health's Proportion Percentage of the Collective Net OPEB Liability*	0.1070679549%	0.1066340885%	0.1081010262%	0.1079403356%
Boulder County Public Health's Proportionate Share of the Collective Net OPEB Liability	\$ 1,203,442	\$ 1,450,802	\$ 1,404,881	\$ 1,399,483
Covered Payroll	\$ 9,605,713	\$ 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	12.53%	16.09%	16.48%	17.06%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	24.49%	17.03%	17.53%	16.72%

* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Information earlier than 2016 was not available.

**BOULDER COUNTY PUBLIC HEALTH
SCHEDULE OF OPEB CONTRIBUTIONS AND RELATED RATIOS
YEAR ENDED DECEMBER 31, 2020**

As of December 31,	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Statutorily Required Contributions	\$ 100,367	\$ 97,978	\$ 91,990	\$ 86,934	\$ 83,662	\$ 78,847	\$ 93,410	\$ 96,655	\$ 97,672	\$ 96,210
Contributions in Relation to Statutorily Required Contributions	100,367	97,978	91,990	86,934	83,662	78,847	93,410	96,655	97,672	96,210
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	\$ 9,839,897	\$ 9,605,718	\$ 9,018,627	\$ 8,522,941	\$ 8,202,153	\$ 7,730,098	\$ 9,157,843	\$ 9,475,978	\$ 9,575,733	\$ 9,432,366
Contribution as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%	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, 2020**

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 Board of Health, a component unit of the County, budgets on a calendar year, in conformity with GAAP basis for all funds.

The original 2020 budget was adopted in July 2019 and the final 2020 budget was adopted in August 2020. The original 2019 budget was adopted in March 2019 and the final 2019 budget was adopted in December 2019.

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, 2020**

	General Administration	Strategic Initiatives	Family Health	Community Health	Environmental Health	Communicable Disease	Total
OPERATING REVENUE							
Intergovernmental:							
County	\$ 2,192,948	\$ 956,334	\$ 746,498	\$ 1,141,991	\$ 3,225,527	\$ 591,516	\$ 8,854,814
Local	170,506	-	112,050	137,821	639,765	-	1,060,142
Federal	506,841	2,709,768	849,126	246,121	161,448	646,227	5,119,531
State (Includes Federal Pass-through Funds)	431,456	38,186	706,970	662,555	403,245	355,421	2,597,833
Total Intergovernmental Revenue	<u>3,301,751</u>	<u>3,704,288</u>	<u>2,414,644</u>	<u>2,188,488</u>	<u>4,429,985</u>	<u>1,593,164</u>	<u>17,632,320</u>
Charges for Services	484,737	-	27,829	-	747,873	23,294	1,283,733
Contributions	-	14,000	3,973	14,297	-	-	32,270
Interest	93,373	-	-	-	-	-	93,373
Miscellaneous	18,057	114,556	-	57,726	-	-	190,339
Total Other Revenues	<u>596,167</u>	<u>128,556</u>	<u>31,802</u>	<u>72,023</u>	<u>747,873</u>	<u>23,294</u>	<u>1,599,715</u>
Total Revenue	3,897,918	3,832,844	2,446,446	2,260,511	5,177,858	1,616,458	19,232,035
OPERATING EXPENDITURES							
Salaries	1,710,736	1,719,207	1,715,171	1,528,716	2,680,359	1,067,758	10,421,947
Fringes	621,901	530,056	619,437	547,400	869,964	344,519	3,533,277
Supplies	58,451	84,917	41,486	79,010	39,261	89,532	392,657
Professional/Tech Services	59,273	712,695	113,220	130,775	1,261,377	56,763	2,334,103
Property Services	216,178	1,467	-	-	1,065	4,939	223,649
Other Purchased Services	9,135	16,338	18,346	13,183	34,347	7,642	98,991
Other Expenditures	96,752	10,543	20,238	26,133	27,592	11,695	192,953
Total Expenditures	<u>2,772,426</u>	<u>3,075,223</u>	<u>2,527,898</u>	<u>2,325,217</u>	<u>4,913,965</u>	<u>1,582,848</u>	<u>17,197,577</u>
OPERATING INCOME (LOSS)	1,125,492	757,621	(81,452)	(64,706)	263,893	33,610	2,034,458
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,125,492</u>	<u>\$ 757,621</u>	<u>\$ (81,452)</u>	<u>\$ (64,706)</u>	<u>\$ 263,893</u>	<u>\$ 33,610</u>	<u>\$ 2,034,458</u>

**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>

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, 2020, 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 March 17, 2022.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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.

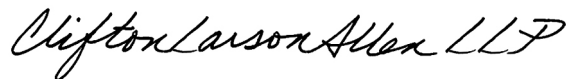
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 financial statements. 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
March 17, 2022

**BOULDER COUNTY PUBLIC HEALTH
SCHEDULE OF FINDINGS
YEAR ENDED DECEMBER 31, 2020**

There were no findings required to be reported under *Government Auditing Standards* for the fiscal year ended December 31, 2020.

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