

**SAN JUAN BASIN  
PUBLIC HEALTH**

FINANCIAL STATEMENTS

December 31, 2020

# SAN JUAN BASIN PUBLIC HEALTH

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## **FINANCIAL SECTION**

## INDEPENDENT AUDITOR'S REPORT

To the Director and Board of Health  
San Juan Basin Public Health  
Durango, Colorado

We have audited the accompanying financial statements of the governmental activities and the major fund of San Juan Basin Public Health (SJBPH) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise SJBPH'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.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Audit 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### 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 the major fund of San Juan Basin Public Health, as of December 31, 2020 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **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 3-10, and budgetary comparison information on page 26, 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 audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise San Juan Basin Public Health's financial statements as a whole. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and as also not a required part of the basic financial statements.

The schedule of expenditures of federal awards (SEFA) 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the SEFA is fairly stated in all material respects in relation to the financial statements as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2021, on our consideration of SJBPH's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 SJBPH's internal control over financial reporting and compliance.

*Fredrick Zink & Associates, PC*

FredrickZink & Associates, PC  
Durango, Colorado  
June 24, 2021

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**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
**December 31, 2020**

**INTRODUCTION**

As management of San Juan Basin Public Health ("SJBPH"), we offer this narrative overview and analysis of the financial activities of SJBPH for the year ended December 31, 2020. We encourage the readers to consider this Management's Discussion and Analysis (MD&A) in conjunction with SJBPH's Basic Financial Statements and Independent Auditor's Report.

The MD&A is an element of the financial reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

**Background Information**

San Juan Basin Public Health is a Colorado district health agency serving La Plata and Archuleta Counties, as well as contracted service to other surrounding counties. The agency is governed by a 7-member Board of Health made up of one representative County Commissioner from each member county and five non-elected members which are appointed by an appointments committee (made up of one member commissioner from each county comprising the district).

SJBPH is legally mandated to meet Public Health and Environment Minimum Quality Standards and Core Public Health Services as defined in the Colorado Public Health Act of 2008, C.R.S 25-1-501(2008 Act) et seq. Mandated state and county funding is needed to meet these requirements. In addition, SJBPH seeks additional support from other funding sources including Colorado Department of Public Health & Environment (CDPHE), local governments, agencies, private foundations, etc.

SJPBH's mission is to protect human and environmental health and to inspire well-being in our community. SJBPH's vision is that we are leaders aiming to achieve healthy communities and health equity. SJPBH works to reflect the diverse communities within which we operate and through this work, demonstrate our organizational values of: Compassion, Health Equity, Integrity, Respect, and Stewardship.

SJBPH's statutory obligations are to monitor, investigate, communicate, and address human and environmental health conditions in the agency's jurisdiction, as resources allow.

In 2019, through a collaborative process including many public health stakeholders, the Colorado Association of Local Public Health Officials and the Colorado Department of Public Health and Environment updated and expanded the state's core public health services and capabilities operational definitions. Our 2021 budget reflects the transition from core public health services to these foundational capabilities and services.

**Foundational Capabilities** are the crosscutting capacities and expertise needed to support foundational services and any public health program.

- Assessment and Planning
- Communications
- Policy Development
- Partnerships
- Organizational Competencies
- Emergency Preparedness and Response
- Health Equity and Social Determinants of Health

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**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
**December 31, 2020**

**Foundational Services** are the subset of services in each public health program area that are foundational to building and maintaining healthy communities.

- Communicable Disease Prevention, Investigation and Control
- Environmental Public Health
- Maternal, Child, Adolescent, and Family Health
- Chronic Disease, Injury Prevention, and Behavioral Health Promotion
- Access to, and Linkage with Health Care

On January 30, 2020, the World Health Organization declared a worldwide outbreak of COVID-19, a novel virus, a “public health emergency of international concern” and subsequently declared it as a global pandemic on March 11, 2020. On January 31, 2020, the United States Department of Health and Human Services declared the virus a public health emergency and on March 13, 2020, the President of the United States issued a Proclamation that the COVID-19 outbreak constitutes a national emergency. In Colorado, Governor Polis issued an Executive Order declaring a state of disaster emergency on March 11, 2020, due to the presence of COVID-19 in Colorado.

On March 16, 2020, SJBPH’s Health Officer declared a local disaster emergency (Declaration No. 2020-001) in the Health District, recognizing the presence of COVID-19 in the Health District as an imminent threat to the health and wellbeing of La Plata and Archuleta County residents and visitors, requiring emergency action to avert illness and possible death as seen in other parts of the nation and the world. The Board of Health consented to continue the Declaration of a Local Disaster Emergency for so long as is necessary as determined by its Health Officer or Board (Resolution No. 2020-003).

Responding to the community’s public health needs related to COVID-19 has had a profound effect on this agency’s operations, staffing, and funding. In 2020, SJBPH largely shifted operational focus of the majority of divisions and allocated a large percentage of staff resources to COVID-19. The number of staff committed to communicable disease at SJBPH increased from 2 to 38 as a result of COVID-19, while still maintaining a high level of execution of all other steady-state programs and services offered in Archuleta and La Plata counties. For the first time in history, staff had to work remotely for the majority of the year. Keeping staff connected with each other as well as with their clients and community partners was especially critical. While some staff continued to provide essential “steady state” services, much of SJBPH staff quickly transitioned to incident management. Although our staff had trained and conducted exercises for pandemic flu, the magnitude of a worldwide pandemic for a novel virus demanded creative thinking, quickly learning new skills, and unprecedented team response. The long hours, high stress environment, politicization of public health, and fiscal uncertainty have taken a toll on the response team. Public health has faced tight funding challenges for many years and these were exacerbated by the COVID-19 pandemic. At a time when local public health agencies needed to be focused on leading their communities through the pandemic, many (SJBPH included) wondered if their agency would exist post-pandemic because federal and State funding resources were slow to respond. SJBPH was fortunate that both of the counties it serves included a per capita rate increase in the FY2021 budget and strategically used funding in order to maximize the use of emergency funding while it was available.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
December 31, 2020**

**FINANCIAL HIGHLIGHTS**

- SJBPH's total assets exceeded its liabilities on December 31, 2020 by \$4,295,112. This represented an increase of \$595,740 from net position on December 31, 2019. This perspective on net position includes spendable resources as well as the investment in buildings, equipment, vehicles, and other capital assets of \$1,507,753 and unrestricted of \$2,787,359.
- SJBPH's total liabilities increased by \$284,080 due to an increase of unearned revenue.
- Total general fund expenditures were \$6,454,418 for the year ended December 31, 2020. This compares with general fund expenditures of \$6,397,530 for the year ended December 31, 2019. This net increase is due to increases in salaries to respond to the COVID-19 Pandemic.
- The Agency's total revenues on the fund financial statements increased from \$6,340,267 in 2019 to \$7,166,745 in 2020. This net increase is due to increases in funding to respond to the COVID 19 Pandemic.
- As of December 31, 2020, SJBPH's governmental funds reported combined ending fund balances of \$2,995,271, an increase of \$712,328 in comparison to the prior year. The portion of the total fund balance for the General Fund that is unrestricted and available for spending at SJBPH Board of Health's discretion is \$2,233,878 and \$61,393 of prepaid items are non-spendable. Due to the uncertainty of funding to respond to the COVID-19 Pandemic, a concerted effort was made by SJBPH to increase the fund balance in 2020.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand SJBPH as a whole and then proceed to provide an increasingly detailed look at specific financial activities.

SJBPH's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements.

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements provide information about the activities of SJBPH as a whole and present a longer-term view of the SJBPH's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements report SJBPH's operations in more detail than the government-wide statements by providing information about SJBPH's most significant funds. For governmental activities, these statements tell how services were financed in the short-term as well as what resources remain for future spending. They reflect the flow of current financial resources and supply the basis for the appropriations budget.

The notes to the financial statements provide narrative explanations and additional data needed for full disclosure in the government-wide statements and the fund financial statements.

The sections labeled Federal Financial Assistance Section contain data used by monitoring or regulatory agencies for assurance that SJBPH is using funds supplied in compliance with the terms of grants.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
**December 31, 2020**

**Reporting SJBPH as a Whole**

*Government-wide Financial Statements:*

The analysis of SJBPH's overall financial condition and operations is presented in the Statement of Net Position and the Statement of Activities. Its primary purpose is to show whether SJBPH is better off or worse off as a result of the year's activities. The Statement of Net Position includes all SJBPH's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by SJBPH's operations during the year. These statements apply the accrual basis of accounting which is the basis used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. SJBPH's revenues are divided into those provided by outside parties who share the costs of some programs, such as fees received from individuals and entities from outside SJBPH and grants provided by the U.S. Department of Health and Human Services for public health emergency preparedness (program revenues), and revenues provided by La Plata and Archuleta Counties, or by the State's funding processes (general revenues). All SJBPH's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report SJBPH's net position and changes in them. SJBPH's net position (the difference between assets and liabilities) provide one measure of SJBPH's financial health, or financial position. Over time, increases or decreases in SJBPH's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of SJBPH.

In the Statement of Net Position and the Statement of Activities, SJBPH is reporting its governmental activities. SJBPH currently has no business-type activities or component units as defined by GASB.

Governmental activities – SJBPH 's financial activities center on providing the citizens of the area a wide variety of public health activities including restaurant inspections, immunizations, nutritional education, disease outbreak identification and management, tobacco prevention and control, and emergency preparedness. SJBPH's revenue consists primarily of funds received from La Plata and Archuleta Counties, intergovernmental (state and federal) and other revenue (collected from licenses, fees and permits).

**Reporting SJBPH'S Fund**

*Fund Financial Statements:*

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on the activities of SJBPH's individual governmental funds and are divided into two parts: 1) the "modified accrual basis statements" and 2) the "budgetary basis statements".

The financial statements on pages 13 and 15 of the audit focuses on assets that can readily be converted into cash in the short term and liabilities that will be settled in the short term. Governmental funds are reported using modified accrual accounting, which recognizes expenditures when the liability is incurred and revenue when measurable and available. The modified accrual accounting method provides a short-term spending focus, which helps the reader assess the amount of financial resources immediately available to finance SJBPH's programs.

**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
December 31, 2020**

The annual budgets shown in the "budgetary basis statements" are prepared as described in Note 1. These budgets are presented using the modified accrual basis of accounting and are found in the Required Supplementary Information section.

The "budgetary basis statements" for the General Fund, demonstrate how SJBPH complied with the year's approved budget. The "budgetary basis statements" are presented using the same classifications as those used in the legal budget document.

*Notes to the Basic Financial Statements:*

Notes to the financial statements provide additional information that is essential to fully understanding the financial statement data.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The table below shows the condensed Statement of Net Position as of December 31, 2020 and 2019:

**Condensed Statement of Net Position**

|                                    | <u>2020</u>                | <u>2019</u>                |
|------------------------------------|----------------------------|----------------------------|
| Current assets                     | \$ 3,931,032               | \$ 2,931,611               |
| Capital assets, net                | <u>1,535,016</u>           | <u>1,654,618</u>           |
| Total assets                       | <u><u>5,466,048</u></u>    | <u><u>4,586,229</u></u>    |
| Current liabilities                | 949,245                    | 662,063                    |
| Noncurrent Liabilities             | <u>221,691</u>             | <u>224,793</u>             |
| Total Liabilities                  | <u>1,170,936</u>           | <u>886,856</u>             |
| Net Position                       |                            |                            |
| Net Investment in Capital Assets   | 1,507,753                  | 1,654,618                  |
| Unrestricted                       | <u>2,787,359</u>           | <u>2,044,755</u>           |
| Total net position                 | <u>4,295,112</u>           | <u>3,699,373</u>           |
| Total liabilities and net position | <u><u>\$ 5,466,048</u></u> | <u><u>\$ 4,586,229</u></u> |

**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
December 31, 2020**

*Net Position:*

SJBPH's assets exceeded its liabilities by \$4,295,112 as of December 31, 2020, an increase in SJBPH's net position of \$595,740 from 2019. This increase is mainly due to a concerted effort by the agency to increase our general fund. Of the net position, \$1,507,753 is invested in capital assets, which includes land, buildings, library materials, furniture and equipment, less related debt. SJBPH uses capital assets to provide services; consequently, these assets are not available for future spending. The remaining portions of SJBPH's net position are classified as unrestricted. The remaining assets are unrestricted assets of \$2,787,359, which can be used for future operations.

The table below shows the condensed statement of activities as of December 31, 2020 and 2019

**Condensed Statement of Activities**

|   | <u>2020</u>       | <u>2019</u>      |
|---|-------------------|------------------|
| <b>Program Revenues:</b>                      |                   |                  |
| Charges for services                          | \$ 1,488,786      | \$ 1,828,833     |
| Operating contracts, grants and contributions | 1,181,488         | 307,046          |
| <b>General Revenues:</b>                      |                   |                  |
| County Funds                                  | 683,363           | 651,809          |
| State Funds                                   | 1,763,019         | 1,980,836        |
| Federal Funds                                 | 1,992,632         | 1,540,409        |
| Interest                                      | 1,651             | 4,110            |
| Miscellaneous                                 | 55,807            | 27,224           |
| Total Revenues                                | <u>7,166,746</u>  | <u>6,340,267</u> |
| <b>Expenses:</b>                              |                   |                  |
| Public health and welfare                     | <u>6,571,006</u>  | <u>6,304,845</u> |
| Total Expenses                                | <u>6,571,006</u>  | <u>6,304,845</u> |
| Change in net position                        | <u>\$ 595,740</u> | <u>\$ 35,422</u> |

**Fund Financial Analysis**

On December 31, 2020, SJBPH reported a combined fund balance for its governmental funds of \$2,995,271, of the funds \$61,393 non-spendable, \$2,127,429 is committed, and \$806,449 is assigned.

SJBPH receives 65 percent of its funding from intergovernmental revenues. Salaries and benefits represent 75 percent of SJBPH's total expenditures.

The General Fund balance increased in 2020 by \$712,328 mainly due to a concerted effort by the agency to not spend any unobligated funds due to the uncertainty of COVID 19 response funding.

**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
December 31, 2020**

**Budgetary Highlights**

Over the course of the year, the Board of Health revised SJBPH's budget. These budget amendments were necessary to reflect the revised estimates of revenues and expenses.

SJBPH ended the year of 2020 with revenues in excess of expenditures in the amount of \$712,328.

Total revenue was higher than budgeted by \$231,073 due to unexpected COVID 19 response funding.

Actual expenditures of \$6,454,418 were under budget by \$459,595 for 2020. Factors include the following:

- Operating expenses were under budget by \$425,556

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

Capital Asset

SJBPH's investment in capital assets as of December 31, 2020, totals \$1,535,019, net of accumulated depreciation. These assets include land, buildings, furniture and equipment, and vehicles. Additional information on SJBPH's capital assets can be found in Note 3 of the financial statements.

The following table shows capital assets for 2020 and 2019:

|                            | <u>2020</u>         | <u>2019</u>         |
|----------------------------|---------------------|---------------------|
| Land                       | \$ 224,627          | \$ 224,627          |
| Buildings                  | 2,455,063           | 2,451,007           |
| Furniture and<br>Equipment | 162,362             | 162,362             |
| Vehicles                   | 205,655             | 247,691             |
| Total Capital Assets       | <u>3,047,707</u>    | <u>3,085,687</u>    |
| Accumulated Depreciation   | <u>1,512,691</u>    | <u>1,431,069</u>    |
| Net Capital Assets         | <u>\$ 1,535,016</u> | <u>\$ 1,654,618</u> |

Debt

As of December 31, 2020, SJBPH's total long-term debt is \$238,188. Of this amount, \$207,912 represents the liability for the employees' compensated absences and \$27,263 for lease obligations. Additional information regarding SJBPH's long-term debt can be found in Note 5 of the financial statements.

**FACTORS BEARING ON SAN JUAN BASIN PUBLIC HEALTH'S FUTURE**

Future revenues and expenditures will depend on the economic climate of La Plata and Archuleta Counties, the State of Colorado and the United States. The potential exists for SJBPH to realize budget and program cuts at the state and federal level or other funding mandates outside of the SJBPH's control. These cuts may affect the level of services that SJBPH will provide in the future. Programs will be evaluated to assure that adequate funding is available to sustain the level of services required and to meet the goal of SJBPH to be fiscally self-sufficient.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
December 31, 2020**

COVID-19

In order to continue COVID-19 response activities long term SJBPH has made necessary changes to the organizational structure. As SJBPH transitions to a long-term structure, emergency preparedness and response and communicable disease will have a more prominent role in the organization, with permanent staff committed to case investigation, community testing, issuing quarantine and isolation orders, monitoring, recovery, and liaising with partners.

Our 2021 budget continues to reflect the agency's commitment to fulfilling its statutory requirements while also responding to the shifting needs of the communities in our jurisdiction – especially around COVID-19.

The 2021 budget includes the following priorities:

- Increased funding for communicable disease investigation and control in order to address local needs in response to COVID-19 global pandemic.
- Shift from COVID-19 incident response to steady state public health programming
- Stabilize programs and services within federal and State funding constraints

**CONTACTING SAN JUAN BASIN PUBLIC HEALTH'S MANAGEMENT**

This report is designed to provide an overview of the SJBPH's finances and to show SJBPH's accountability for the money it receives. If you have questions about this report or need additional financial information, contact SJBPH's Deputy Director, Administrative Services.

San Juan Basin Public Health  
Attention: Lesley Marie, Deputy Director Administrative Services  
281 Sawyer Drive  
Durango, Colorado 81303

## **BASIC FINANCIAL STATEMENTS**

# SAN JUAN BASIN PUBLIC HEALTH

## STATEMENT OF NET POSITION

December 31, 2020

|  | <b>Governmental<br/>Activities</b> |
|--|------------------------------------|
| <b>Assets</b>  |                                    |
| <b>Current Assets</b>                                |                                    |
| Cash and cash equivalents.....                       | \$ 2,401,406                       |
| Accounts receivable, net.....                        | 1,468,233                          |
| Prepaid items.....                                   | 61,393                             |
| <b>Total Current Assets.....</b>                     | <b>3,931,032</b>                   |
| <b>Capital Assets</b>                                |                                    |
| Capital assets, net of accumulated depreciation..... | 1,535,016                          |
| <b>Total Assets.....</b>                             | <b>\$ 5,466,048</b>                |
| <b>Liabilities and Net Position</b>                  |                                    |
| <b>Current Liabilities</b>                           |                                    |
| Accounts payable.....                                | \$ 125,786                         |
| Accrued liabilities.....                             | 406,086                            |
| Unearned revenue.....                                | 403,889                            |
| Lease obligations, current portion.....              | 13,484                             |
| <b>Total Current Liabilities.....</b>                | <b>949,245</b>                     |
| <b>Long-term Liabilities</b>                         |                                    |
| Compensated absences.....                            | 207,912                            |
| Lease obligations.....                               | 13,779                             |
| <b>Total Noncurrent Liabilities.....</b>             | <b>221,691</b>                     |
| <b>Total Liabilities.....</b>                        | <b>1,170,936</b>                   |
| <b>Net Position</b>                                  |                                    |
| Net investment in capital assets.....                | 1,507,753                          |
| Unrestricted.....                                    | 2,787,359                          |
| <b>Total Net Position.....</b>                       | <b>\$ 4,295,112</b>                |

The accompanying notes are an integral part of the financial statements.

# SAN JUAN BASIN PUBLIC HEALTH

## STATEMENT OF ACTIVITIES For the Year Ended December 31, 2020

| Function/Program               | Expenses     | Program Revenues        |  | Change in Net<br>Position  |
|--------------------------------|--------------|-------------------------|--|----------------------------|
|                                |              | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Governmental<br>Activities |
| <b>Governmental Activities</b> |              |                         |  |                            |
| Public health and welfare..... | \$ 6,571,006 | \$ 1,488,786            | \$ 1,181,488                             | \$ (3,900,732)             |

**General Revenues**

|   |                     |
|---|---------------------|
| County funds.....                           | 683,363             |
| State funds.....                            | 1,763,019           |
| Federal funds.....                          | 1,992,632           |
| Interest.....                               | 1,651               |
| Miscellaneous.....                          | 55,807              |
| <b>Total General Revenues.....</b>          | <b>4,496,472</b>    |
| Change in net position.....                 | 595,740             |
| <b>Net Position, Beginning of Year.....</b> | <b>3,699,372</b>    |
| <b>Net Position, End of Year.....</b>       | <b>\$ 4,295,112</b> |

The accompanying notes are an integral part of the financial statements.

# SAN JUAN BASIN PUBLIC HEALTH

## BALANCE SHEET - GOVERNMENTAL FUND

December 31, 2020

|   | <u>General<br/>Fund</u>    |
|---|----------------------------|
| <b>Assets</b>                                   |                            |
| <b>Current Assets</b>                           |                            |
| Cash and cash equivalents.....                  | 2,401,406                  |
| Accounts receivable, net.....                   | 1,468,233                  |
| Prepaid items.....                              | 61,393                     |
| <b>Total Assets</b> .....                       | <b><u>\$ 3,931,032</u></b> |
| <b>Liabilities and Fund Balance</b>             |                            |
| <b>Liabilities</b>                              |                            |
| Accounts payable.....                           | \$ 125,786                 |
| Accrued liabilities.....                        | 406,086                    |
| Unearned revenue.....                           | 403,889                    |
| <b>Total Liabilities</b> .....                  | <b><u>935,761</u></b>      |
| <b>Fund Balance</b>                             |                            |
| Nonspendable                                    |                            |
| Prepaid items.....                              | 61,393                     |
| Committed:                                      |                            |
| Future employee compensated absences.....       | 149,291                    |
| Emergency operating reserves.....               | 183,014                    |
| Operating.....                                  | 1,795,124                  |
| Assigned:                                       |                            |
| Implementation wage scale.....                  | 300,000                    |
| Facilities.....                                 | 85,000                     |
| Fleet replacement.....                          | 78,341                     |
| Equipment replacement.....                      | 84,500                     |
| Condo association capital assessments.....      | 55,124                     |
| Operating.....                                  | 203,484                    |
| <b>Total Fund Balance</b> .....                 | <b><u>2,995,271</u></b>    |
| <b>Total Liabilities and Fund Balance</b> ..... | <b><u>\$ 3,931,032</u></b> |

The accompanying notes are an integral part of the financial statements.

# SAN JUAN BASIN PUBLIC HEALTH

## RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION December 31, 2020

**Total Governmental Fund Balance** \$ 2,995,271

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, not reported in the fund balance sheet. In the statement of net position the cost of these assets are capitalized and expensed over their estimated useful lives through annual depreciation expense:

|                          |                    |           |
|--------------------------|--------------------|-----------|
| Capital assets           | 3,047,707          |           |
| Accumulated depreciation | <u>(1,512,691)</u> |           |
|                          |                    | 1,535,016 |

Liabilities, including compensated absences and lease obligations are not due and payable in the current period, and therefore, are not reported in the funds balance sheet.

|                      |                  |                  |
|----------------------|------------------|------------------|
| Lease obligations    | (27,263)         |                  |
| Compensated absences | <u>(207,912)</u> |                  |
|                      |                  | <u>(235,175)</u> |

**Net Position of Governmental Activities** \$ 4,295,112

The accompanying notes are an integral part of the financial statements.

# SAN JUAN BASIN PUBLIC HEALTH

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE GOVERNMENTAL FUND

For the Year Ended December 31, 2020

|   | <b>General<br/>Fund</b>           |
|---|-----------------------------------|
| <b>Revenues</b>                             |                                   |
| County funds.....                           | \$ 683,363                        |
| Grants and contributions.....               | 267,808                           |
| Fees for services.....                      | 1,495,703                         |
| State funds.....                            | 1,763,019                         |
| Federal funds.....                          | 2,906,312                         |
| Interest income.....                        | 1,651                             |
| Other.....                                  | 27,230                            |
| <b>Total Revenues.....</b>                  | <b><u>7,145,086</u></b>           |
| <b>Expenditures</b>                         |                                   |
| Current                                     |                                   |
| Salaries and benefits.....                  | 4,930,668                         |
| Travel.....                                 | 71,856                            |
| Contract services.....                      | 433,906                           |
| Operating.....                              | 999,328                           |
| Capital outlay.....                         | 4,056                             |
| Debt service                                |                                   |
| Principal.....                              | 13,395                            |
| Interest.....                               | 1,209                             |
| <b>Total Expenditures.....</b>              | <b><u>6,454,418</u></b>           |
| <b>Revenues Over Expenditures.....</b>      | <b>690,668</b>                    |
| <b>Other Financing Sources</b>              |                                   |
| Sale of personal property.....              | 21,660                            |
| <b>Total Other Financing Sources.....</b>   | <b><u>21,660</u></b>              |
| <b>Change in Fund Balance.....</b>          | <b>712,328</b>                    |
| <b>Fund Balance, Beginning of Year.....</b> | <b><u>2,282,943</u></b>           |
| <b>Fund Balance, End of Year.....</b>       | <b><u><u>\$ 2,995,271</u></u></b> |

The accompanying notes are an integral part of the financial statements.

# **SAN JUAN BASIN PUBLIC HEALTH**

## **RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES For The Year Ended December 31, 2020**

**Change in Fund Balance - Total Governmental Fund** **\$ 712,328**

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures.

In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized outlay exceeded depreciation expense in the current period.

|                |              |           |
|----------------|--------------|-----------|
| Depreciation   | \$ (123,657) |           |
| Capital outlay | <u>4,056</u> | (119,601) |

Compensated absences and lease obligations in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

|                                |                  |              |
|--------------------------------|------------------|--------------|
| Liability at December 31, 2019 | \$ 238,188       |              |
| Liability at December 31, 2020 | <u>(235,175)</u> | <u>3,013</u> |

**Change in Net Position of Governmental Activities** **\$ 595,740**

The accompanying notes are an integral part of the financial statements.

# SAN JUAN BASIN PUBLIC HEALTH

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

San Juan Basin Public Health (SJBPH) is a Colorado district health agency serving La Plata and Archuleta Counties, as well as contracting to serve other surrounding counties. SJBPH prepares its basic financial statements in conformity with accounting principles generally accepted in the United States of America promulgated by the Governmental Accounting Standards Board (GASB) applicable to governmental units. SJBPH also complies with the requirements of contracts and grants of agencies from which it receives funds. GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of SJBPH are described below.

#### A. Reporting Entity

SJBPH's mission is to protect human and environmental health and inspire well-being in the communities it serves. SJBPH provides all core public health services identified in the Colorado State Board of Health, Core Public Health Services Rule.

Pursuant to C.R.S. 25-1-508(3)(a), SJBPH Board of Health shall consist of a minimum of five (5) members the exact number to be determined by the SJBPH Appointments Committee (the SJBPH Appointments Committee shall be composed of one member of each of the boards of county commissioners of the counties comprising the District). Except where appointments need to be shorter to stagger terms, full-term appointments shall be for five years.

The Colorado Public Health Act of 2008, C.R.S. 25-1-501 et seq., is the statutory guidance for SJBPH. Effective July 1, 2009, the law established minimum qualifications for directors, core public health services, minimum quality standards for public health and a funding formula for allocating moneys to SJBPH.

The Department is not financially accountable for any other organization, nor is the Department a component unit of any other primary governmental entity.

For financial reporting purposes, SJBPH includes all fund and account groups for which it is financially accountable. SJBPH does not exercise any power over any other entity. SJBPH has the following joint venture at December 31, 2020:

SJBPH in conjunction with Southwest Colorado Mental Health Center, Inc., DBA Axis Health System; Community Connections, Inc created Columbine Condominium Owner's Association, Inc. (Association) to provide an organizational structure for 281 Sawyer Drive, Durango, Colorado, an office building that is owned, occupied, and titled jointly between the entities. The condominiumization has allowed each of the organizations to separately own the portions of the building they currently occupy and to jointly maintain the common elements. Association annual assessments are based upon the Association's estimated advance budget of the cash requirements needed to provide administration and performance of its duties during such assessment year. In addition to Association Dues, the Association levies a Special Assessment for the purpose of defraying, in whole or in part, the cost of construction, reconstruction, repair or replacement of a capital improvement, or for other extraordinary expenses. SJBPH's allocation of for annual assessments and special capital assessments amounted to \$79,181 and \$23,650 respectively for the year ended December 31, 2020. SJBPH's allocation of the Association's reserve and replacement balance is reported as prepaids in the financial statements. Financial statements for the Association can be obtained from Columbine Condominium Owner's Association, Inc., 185 Shuttle Street, Durango, Colorado.

# SAN JUAN BASIN PUBLIC HEALTH

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## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

### B. Basis of Accounting and Presentation

#### ***Government-Wide Financial Statements***

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. SJBPH does not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. For identifying the function to which program revenue pertains, the determining factor for charges for services is which function generates the revenue.

For grants and contributions, the determining factor is to which function the revenues are restricted. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flows.

#### ***Fund Financial Statements***

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and compensated absences are recorded only when payment is due.

#### ***Governmental Fund Types***

The accounts of SJBPH are organized on the basis of funds. Each fund is considered an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other assets together with all related liabilities, obligations, reserves and equities, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

SJBPH used the following fund during 2020:

*Governmental Fund* - The general fund is used to account for all financial resources of SJBPH. The general fund balance is available to SJBPH for any purpose, provided it is expended or transferred according to the general laws of Colorado and the bylaws of SJBPH.

# SAN JUAN BASIN PUBLIC HEALTH

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

### C. Basis of Accounting Applicable to All Financial Statements

Capital assets, which include buildings and improvements, furniture and equipment, and vehicles are reported in the government-wide financial statements. Capital assets are defined by SJBPH as assets with an individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' useful lives are not capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not included in capital assets.

Nonexchange transactions, in which SJBPH receives value without directly giving value in return, include grants and donations. On an accrual basis, revenue from grants, certain contracts and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resource is required to be used or the fiscal year when use is first permitted; matching requirements, in which SJBPH must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to SJBPH on a reimbursement basis.

Supplies and materials are debited as expenditures when purchased.

### D. Budgetary Data

In accordance with state budget law, the SJBPH's Board holds public hearings in the fall of each year to approve the budget and appropriate the funds for each ensuing year. The appropriation is at the total fund expenditure level and lapses at year end. The Board can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements.

### E. Fund Equity

SJBPH has adopted GASB Statement 54, which redefined how fund balances of the governmental funds are presented in the financial statements. SJBPH's fund balances are classified as follows:

*Nonspendable* - Portion of the fund balance that is legally or contractually required to be maintained intact (and is generally not expected to be converted to cash).

*Restricted* - Amounts that can be spent only for specific purposes because of restrictions by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

*Committed* - Amounts that can only be used for the specific purposes determined by a formal action, a Board resolution, of the SJBPH's highest level of decision-making authority, the SJBPH Board of Health. The same formal action must be taken to remove or change the limitations placed on the funds.

*Assigned* - Consists of funds intended to be used for specific purposes but do not meet the criteria to be classified as restricted or committed. The SJBPH's Board of Health has delegated the authority to the Executive Director, or her designee, to assign funds and amounts to be used for specific purposes.

*Unassigned* - Amounts not included in other spendable classifications.

# SAN JUAN BASIN PUBLIC HEALTH

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, SJBPH considers restricted funds to have been spent first. When an expenditure for which committed, assigned, or unassigned fund balances are available, SJBPH considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Health has provided otherwise in its commitment or assignment actions.

### **F. Net Position on the Statement of Net Position**

Net position represents the difference between assets and deferred inflows of resources, and deferred outflows of resources and liabilities and is classified as net investment in capital assets, restricted or unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition or construction of improvements on those assets, excluding any unspent bond proceeds. Net position is reported as restricted when there are limitations imposed on its use, either through the enabling legislation adopted by the SJBPH or through external restrictions imposed by creditors, grantors, laws or regulations of other governments. All other net position that does not meet these definitions is classified as unrestricted.

### **G. Management's Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, and expenditures during the reporting period. Actual results could differ from those estimates.

### **H. Cash and Cash Equivalents**

SJBPH's cash and cash equivalents are comprised of cash on hand and cash in banks.

### **I. Prepaid Items**

Payments made to vendors for services that will benefit future periods are recorded as prepaid items using the consumption method, by recording an asset for the prepaid amount and reflecting the expenditure or expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reserved as this amount is not available for general appropriation.

### **J. Compensated Absences**

It is SJBPH's policy to permit employees to accumulate earned but unused vacation benefits (paid time off) up to certain maximum limits. Therefore, a liability for accrued vacation is recorded for full accrual purposes in the government-wide financial statements. However, for governmental fund financial statement purposes, vacation benefits are expected to be liquidated with available financial resources and are reported as an expenditure and fund liability of the General Fund when amounts are due.

### **K. In-Kind Donations**

In-kind donations consist of donated goods and personal services. Donated goods are valued at the donor's assigned value or estimated fair value. Personal services are valued based upon hourly wage rates paid for similar services or at the donor's assigned value. These donations are included as revenue and as program costs to properly reflect the total costs of the SJBPH's operations.

### **L. Unearned Revenues**

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Revenues are deferred for grants, contracts and entitlements received before the eligibility requirements are met (e.g., cash advances).

# SAN JUAN BASIN PUBLIC HEALTH

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

### 2. CASH AND CASH EQUIVALENTS

#### Legal and Contractual Provisions Governing Deposits and Investments

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified by PDPA. PDPA allows the institution to create a single collateral pool for all public funds.

The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must equal at least 102% of the uninsured deposits. The State Regulatory Commissions for banks and savings and loan associations are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2020, SJBPH had bank deposits of \$2,307,848 collateralized with securities held by the financial institution's agent, but not in SJBPH's name.

#### Policies Governing Deposits and Investments

- a. *Custodial Credit Risk* - This is the risk that, in the event of a bank failure, SJBPH's deposits may not be returned to it. As of December 31, 2020, the SJBPH's deposits were not exposed to credit risk, as all deposits were insured by the Federal Deposit Insurance Corporation or collateralized in accordance with PDPA.
- b. *Concentration of Credit Risk* - SJBPH's investment policy does not limit the amount SJBPH may invest in one issuer.
- c. *Credit Risk* - Involves the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments to U.S. Treasury issues, other federally backed notes and credits and other agency offerings. Other investment instruments, including bank obligations, general obligation bonds and commercial paper are limited to at least one of the highest rating categories of at least one nationally recognized rating agency. State statutes limit investments in corporate bonds and foreign issues to a minimum credit rating of "AA- or Aa3" by two or more nationally recognized statistical rating organizations. State law further limits investments in money market funds to those institutions with over \$1 billion in assets or the highest credit rating from one or more of a nationally recognized rating agency. At December 31, 2020, SJBPH was not significantly exposed to credit risk.
- d. *Interest Rate Risk* - The risk that changes in interest rates will adversely affect the fair value of an investment or a deposit. State law limits investment maturities to five years or less as a means of managing exposure to fair value loss resulting from increasing interest rates. At December 31, 2020, SJBPH was not significantly exposed to interest rate risk.
- e. *Foreign Currency Risk* - Not applicable

The carrying values of deposits are shown in the following captions in the statement of net position:

|                           | <u>Carrying<br/>Value</u> | <u>Bank Value</u> |
|---------------------------|---------------------------|-------------------|
| Cash and cash equivalents | \$ 2,401,406              | \$ 2,307,848      |

# SAN JUAN BASIN PUBLIC HEALTH

## NOTES TO FINANCIAL STATEMENTS December 31, 2020

### 3. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020, was as follows:

|                                   | <u>1/1/2020</u>     | <u>Additions</u>  | <u>Retirements</u> | <u>12/31/2020</u>   |
|-----------------------------------|---------------------|-------------------|--------------------|---------------------|
| Capital assets                    |                     |                   |                    |                     |
| Land                              | \$ 224,627          | \$ -              | \$ -               | \$ 224,627          |
| Buildings                         | 2,451,007           | 4,056             | -                  | 2,455,063           |
| Furniture and equipment           | 162,362             | -                 | -                  | 162,362             |
| Vehicles                          | <u>247,691</u>      | <u>-</u>          | <u>42,036</u>      | <u>205,655</u>      |
| Total capital assets              | <u>3,085,687</u>    | <u>4,056</u>      | <u>42,036</u>      | <u>3,047,707</u>    |
| Accumulated depreciation          |                     |                   |                    |                     |
| Buildings                         | 1,140,015           | 84,934            | -                  | 1,224,949           |
| Furniture and equipment           | 113,658             | 14,407            | -                  | 128,065             |
| Vehicles                          | <u>177,397</u>      | <u>24,316</u>     | <u>42,036</u>      | <u>159,677</u>      |
| Total accumulated depreciation    | 1,431,070           | 123,657           | 42,036             | 1,512,691           |
| Total net value of capital assets | <u>\$ 1,654,617</u> | <u>\$ 119,601</u> | <u>\$ -</u>        | <u>\$ 1,535,016</u> |

Depreciation expense was \$123,657 for the year ended December 31, 2020 and was charged to governmental activities.

Depreciation is computed using the straight-line method over the estimated useful life of each asset. The following estimated useful lives are being used by SJBPH:

|                                   |               |
|-----------------------------------|---------------|
| Buildings                         | 40 years      |
| Furniture, fixtures and equipment | 3 to 15 years |
| Vehicles                          | 1 to 5 years  |

### 4. UNEARNED REVENUE

Unearned revenue consists of the following:

|                        | <u>General Fund</u> |
|------------------------|---------------------|
| Unearned grant revenue | \$ 315,439          |
| Other unearned revenue | <u>88,450</u>       |
| Unearned revenues      | <u>\$ 403,889</u>   |

# SAN JUAN BASIN PUBLIC HEALTH

## NOTES TO FINANCIAL STATEMENTS December 31, 2020

### 5. LONG-TERM LIABILITIES

Summary of changes in long-term liabilities for the year ended December 31, 2020 is as follows:

|                             | Amounts<br>Outstanding<br>1/1/2020 | Additions        | Reductions       | Amounts<br>Outstanding<br>12/31/2020 |
|-----------------------------|------------------------------------|------------------|------------------|--------------------------------------|
| Compensated absences        | \$ 197,530                         | \$ 10,382        | \$ -             | \$ 207,912                           |
| Lease obligations           | 40,658                             | -                | 13,395           | 27,263                               |
| Total long-term liabilities | <u>\$ 238,188</u>                  | <u>\$ 10,382</u> | <u>\$ 13,395</u> | <u>\$ 235,175</u>                    |

#### Obligations Under the Capital Leases

A summary of the capital leases as of December 31, 2020 is as follows:

| <u>Description</u>      | Interest<br>Rate | Amounts<br>Outstanding<br>12/31/2020 | Due within<br>1 year |
|-------------------------|------------------|--------------------------------------|----------------------|
| Image Net - 2016        | 3.50%            | \$ 3,173                             | \$ 3,219             |
| Image Net - 2018        | 3.50%            | 16,147                               | 8,048                |
| Image Net - 2019        | 3.50%            | 7,943                                | 2,263                |
| Total lease obligations |                  | <u>\$ 27,263</u>                     | <u>\$ 13,530</u>     |

During the year, SJBPH made payments on the above leases totaling \$13,395, including interest of \$1,209.

Future minimum payments for leases are as follows:

| <u>Year ending December 31,</u> |                  |
|---------------------------------|------------------|
| 2021                            | \$ 13,530        |
| 2022                            | 10,311           |
| 2023                            | 2,934            |
| 2024                            | <u>1,697</u>     |
| Total Payments                  | \$ 28,472        |
| Less: Interest                  | <u>1,209</u>     |
| Total Principal                 | <u>\$ 27,263</u> |

### 6. HEALTH INSURANCE

During the year ended December 31, 2020, employees of SJBPH were covered by a health insurance plan through Anthem. SJBPH paid for the employee-only premium per month and employees, at their option, authorized payroll withholdings to pay contributions for dependents. Under this plan, SJBPH is not liable for costs incurred beyond the premiums paid.

# SAN JUAN BASIN PUBLIC HEALTH

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## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

### 7. DEFINED CONTRIBUTION PLAN

SJBPH provides pension benefits for most of its regular employees, full and part-time employees with at least twenty hours a week, through an agent multi-employer public retirement system, the Colorado Retirement Association, a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Qualifying employees are required to participate upon completion of one year of employment.

SJBPH has established that employees, upon completion of one year of employment, contribute 5% of the employee's base earnings each month in a 401(a) Plan. SJBPH's matching contributions for each employee and interest allocated to the employee's account are fully vested after five years of continuous plan participation. Contributions for, and interest forfeited by, employees who leave employment before six years of service are used to reduce current contribution requirements. Ten year historical trend information about the plan is available in a separately issued financial report.

SJBPH and the covered employees made the required 5% contribution, amounting to \$149,583 from both SJBPH and from employees. There were no amounts due to the plan as of December 31, 2020. Total covered payroll during 2020 was \$2,991,660.

### 8. DEFERRED COMPENSATION PLAN

SJBPH has a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. Participation in the plan is optional for all employees. The plan is administered by Colorado Retirement Association. The plan allows the employees to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseen emergencies. Contribution limits are set by the Internal Revenue Service annually and are the same as those for the 401(k) plan.

### 9. RISK MANAGEMENT

SJBPH is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. SJBPH has obtained commercial insurance coverage for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. Under the Colorado Governmental Immunity Act, the maximum liability per person, per occurrence, is \$350,000, with a maximum liability per occurrence of \$990,000. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. At December 31, 2020 SJBPH had no accrued liabilities under the terms of the insurance plan.

### 10. LITIGATION

In January 2021, SJBPH was identified as a defendant, along with four others, to a lawsuit that was filed in La Plata County District Court regarding restrictions placed on restaurants during the COVID-19 pandemic. It is impossible to predict the outcome or the risk of exposure facing San Juan Basin Public Health at this time

# SAN JUAN BASIN PUBLIC HEALTH

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## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

### 11. COMMITMENTS AND CONTINGENCIES

SJBPH receives grant monies from various federal and state agencies and private foundations. Such grants are subject to audit by the grantor, which could lead to requests for reimbursement to the grantor for expenditures not in compliance with the terms of the grant. In the opinion of the SJBPH, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

### 12. TAX SPENDING AND DEBT LIMITATION (TABOR)

In November 1992, the voters of Colorado approved Amendment I, commonly known as the Taxpayer Bill of Rights (TABOR), which added a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

SJBPH does not believe itself to be subject to the requirement of TABOR, as SJBPH has been established by Archuleta and La Plata Counties, and it receives no direct tax dollars and has no power to tax any of the residents within its jurisdiction. TABOR is applied to the counties which have formed the SJBPH, and SJBPH receives general allocation funding from these counties. TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of what organizations may be subject to TABOR, may require judicial interpretation.

### 13. CONCENTRATION OF CREDIT RISK

Approximately 65% of net total revenue was derived under federal and state third-party reimbursement programs. These revenues are based, in part, on cost reimbursement principles and are subject to audit and retroactive adjustment by the representative third-party fiscal intermediaries.

### 14. SUBSEQUENT EVENTS

The SJBPH's management has evaluated subsequent events through June 24, 2021, the date which the financial statements were available for issue. Except as described in Note 10, no other events were identified requiring disclosure in the notes to the financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

# SAN JUAN BASIN PUBLIC HEALTH

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - GOVERNMENTAL FUND For the Year Ended December 31, 2020

|  | Original<br>Budget    | Final<br>Budget  | Actual           | Variance<br>Favorable<br>(Unfavorable) |
|--|-----------------------|------------------|------------------|--|
| <b>Revenues</b>                                      |                       |                  |                  |  |
| County funds.....                                    | \$ 683,279            | \$ 683,350       | \$ 683,363       | \$ 13                                  |
| Grants.....  | 283,331               | 288,222          | 267,808          | (20,414)                               |
| Fees for services.....                               | 1,333,145             | 1,178,341        | 1,495,703        | 317,362                                |
| State funds.....                                     | 2,171,554             | 1,830,701        | 1,763,019        | (67,682)                               |
| Federal funds.....                                   | 1,384,100             | 2,789,572        | 2,906,312        | 116,740                                |
| Interest income.....                                 | 4,150                 | 2,378            | 1,651            | (727)                                  |
| Other.....   | 197,412               | 141,449          | 27,230           | (114,219)                              |
| <b>Total Revenues.....</b>                           | <b>6,056,971</b>      | <b>6,914,013</b> | <b>7,145,086</b> | <b>231,073</b>                         |
| <b>Expenditures</b>                                  |                       |                  |                  |  |
| Current  |                       |                  |                  |  |
| Salaries and benefits.....                           | 4,671,529             | 4,906,263        | 4,930,668        | (24,405)                               |
| Travel.....  | 241,873               | 77,801           | 71,856           | 5,945                                  |
| Contract services.....                               | 308,885               | 476,009          | 433,906          | 42,103                                 |
| Operating.....                                       | 917,711               | 1,424,884        | 999,328          | 425,556                                |
| Capital outlay.....                                  | -                     | 14,452           | 4,056            | 10,396                                 |
| Debt service   |                       |                  |                  |  |
| Principal.....                                       | -                     | 14,110           | 13,395           | 715                                    |
| Interest.....  | -                     | 494              | 1,209            | (715)                                  |
| Contingency.....                                     | 2,329,837             | -                | -                | -                                      |
| <b>Total Expenditures.....</b>                       | <b>8,469,835</b>      | <b>6,914,013</b> | <b>6,454,418</b> | <b>459,595</b>                         |
| <b>Revenues (Deficiency) Under Expenditures.....</b> | <b>(2,412,864)</b>    | <b>-</b>         | <b>690,668</b>   | <b>690,668</b>                         |
| <b>Other Financing Sources</b>                       |                       |                  |                  |  |
| Sale of personal property.....                       | -                     | -                | 21,660           | 21,660                                 |
| <b>Total Other Financing Sources.....</b>            | <b>-</b>              | <b>-</b>         | <b>21,660</b>    | <b>21,660</b>                          |
| <b>Change in Fund Balance.....</b>                   | <b>\$ (2,412,864)</b> | <b>\$ -</b>      | <b>712,328</b>   | <b>\$ 712,328</b>                      |
| <b>Fund Balance - Beginning of Year.....</b>         |                       |                  |                  | <b>2,282,943</b>                       |
| <b>Fund Balance - End of Year.....</b>               |                       |                  |                  | <b>\$ 2,995,271</b>                    |

Notes to Required Supplementary Information

The basis of the budget is the same as GAAP. The schedule is presented on a GAAP basis.

**OVERALL COMPLIANCE AND INTERNAL CONTROL SECTION**

**INDEPENDENT AUDITOR'S 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**

To the Board of Health  
San Juan Basin Public Health  
Durango, 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 the major fund of San Juan Basin Public Health as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise San Juan Basin Public Health's basic financial statements and have issued our report thereon dated June 24, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered San Juan Basin Public Health's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of San Juan Basin Public Health's internal control. Accordingly, we do not express an opinion on the effectiveness of San Juan Basin 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 San Juan Basin Public Health's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

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

*FredrickZink & Associates, PC*

FredrickZink & Associates, PC  
Durango, Colorado  
June 24, 2021

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Health  
San Juan Basin Public Health  
Durango, Colorado

**Report on Compliance for Each Major Federal Program**

We have audited San Juan Basin Public Health's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of San Juan Basin Public Health's major federal programs for the year ended December 31, 2020. San Juan Basin Public Health's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulation, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of San Juan Basin Public Health's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about San Juan Basin Public Health's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of San Juan Basin Public Health's compliance.

**Opinion on Each Major Federal Program**

In our opinion, San Juan Basin Public Health complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

## **Report on Internal Control Over Compliance**

Management of San Juan Basin Public Health is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered San Juan Basin Public Health's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of San Juan Basin Public Health's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

### **Purpose of this Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*FredrickZink & Associates, PC*

FredrickZink & Associates, PC  
Durango, Colorado  
June 24, 2021

**FEDERAL FINANCIAL ASSISTANCE SECTION**

# SAN JUAN BASIN PUBLIC HEALTH

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2020

### Section I – Summary of Auditor’s Results

#### Financial Statements

Type of auditor’s report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified  Yes  No
- Significant deficiency(ies) identified  Yes  None reported
- Noncompliance material to financial statements noted?  Yes  No

#### Federal Awards

Internal control over major programs:

- Material weakness(es) identified  Yes  No
- Significant deficiency(ies) identified  Yes  None reported
- Noncompliance material to financial statements noted?  Yes  No

Type of auditor’s report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes  No

Identification of major programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|-----------------------|---|
| 21.019                | Coronavirus Relief Fund                   |

Dollar threshold used to distinguish Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?  Yes  No

### Section II – Financial Statement Findings

None

### Section III – Federal Award Findings and Questioned Costs

None

### Section IV – Prior Year Audit Findings

None

# SAN JUAN BASIN PUBLIC HEALTH

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended December 31, 2020

| FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE   | FEDERAL<br>CFDA<br>NUMBER | GRANT/<br>CONTRACT<br>NUMBER | FEDERAL<br>AWARDS<br>EXPENDED |
|--|---------------------------|------------------------------|-------------------------------|
| <b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>   |                           |                              |                               |
| <b>Pass through Colorado Department of Public Health &amp; Environment:</b>  |                           |                              |                               |
| Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)  | 10.557                    | 20 FHLA 140913               | \$ 253,755                    |
| Special Supplemental Nutrition Program for Women, Infants,<br>and Children (WIC) - Non-Cash Assistance   | 10.557                    |                              | 449,627                       |
| Total CFDA 10.557  |                           |                              | <u>703,382</u>                |
| <b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>  |                           |                              | <u><b>703,382</b></u>         |
| <b><u>U.S. DEPARTMENT OF THE TREASURY</u></b>  |                           |                              |                               |
| <b>Pass through Colorado Department of Public Health &amp; Environment:</b>  |                           |                              |                               |
| Coronavirus Relief Fund  | 21.019                    |                              | 566,940                       |
| <b>Pass through La Plata County, Colorado:</b>   |                           |                              |                               |
| Coronavirus Relief Fund  | 21.019                    |                              | 680,000                       |
| <b>Pass through Archuleta County, Colorado:</b>  |                           |                              |                               |
| Coronavirus Relief Fund  | 21.019                    |                              | 154,000                       |
| <b>Pass through Town of Pagosa Springs, Colorado:</b>  |                           |                              |                               |
| Coronavirus Relief Fund  | 21.019                    |                              | 75,000                        |
| Total CFDA 21.019  |                           |                              | <u>1,475,940</u>              |
| <b>TOTAL U.S. DEPARTMENT OF THE TREASURY</b>   |                           |                              | <u><b>1,475,940</b></u>       |
| <b><u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u></b>   |                           |                              |                               |
| <b>Pass through the Colorado Department of Public Health and Environment:</b>  |                           |                              |                               |
| Performance Partnership Grants - Radon   | 66.605                    | 2021000005820                | 11,071                        |
| <b>TOTAL UNITED STATES ENVIRONMENTAL PROTECTION AGENCY</b>   |                           |                              | <u><b>11,071</b></u>          |
| <b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>   |                           |                              |                               |
| <b>Direct Programs:</b>  |                           |                              |                               |
| Medical Reserve Corps Small Grant Program  | 93.008                    |                              | 179                           |
| National Bioterrorism Hospital Preparedness Program  | 93.889                    |                              | 134,131                       |
| <b>Pass through Colorado Department of Public Health and Environment:</b>  |                           |                              |                               |
| Public Health Emergency Preparedness   | 93.069                    | CT 2020*276                  | 287,335                       |
| Environmental Public Health and Emergency Response   | 93.070                    |                              | 9,796                         |
| Hospital Preparedness Program (HPP) and Public Health<br>Emergency Preparedness (PHEP) Health Care Coalitions                                    | 93.074                    | CT 2020*526                  |                               |
| Family Planning Services   | 93.217                    | 2021*0288                    | 56,967                        |
| Grants to States to Support Oral Health Workforce Activities   | 93.236                    | FHLA 2020*2093               | 44,018                        |
| Immunization Cooperative Agreements  | 93.268                    | FHJA 202100006297            | 5,637                         |
| Immunization Cooperative Agreements  | 93.268                    | 19 FHHA 108901               | 35,419                        |
| Total CFDA 93.268  |                           |                              | <u>41,056</u>                 |
| Public Health Emergency Response: Cooperative Agreement for Emergency<br>Response: Public Health Crisis Response                                 | 96.354                    | FHJA 202000012597            | 179,448                       |
| State Actions to Improve Oral Health Outcomes and Partner Actions to Improve<br>Improve Oral Health Outcomes                                     | 93.366                    | FHA 2020*2093                | 6,250                         |
| Strengthening Public Health Systems and Services through National Partnerships<br>to Improve and Protect the Nation's Health                     | 93.421                    | CT FHLA 2020*3669            | 8,876                         |
| Cancer Prevention and Control Programs for State, Territorial and Tribal<br>Organizations financed in part by Prevention and Public Health Funds | 93.752                    |                              | 1,380                         |
| Cancer Prevention and Control Programs for State, Territorial and<br>Tribal Organizations  | 93.898                    |                              | 51,216                        |

# SAN JUAN BASIN PUBLIC HEALTH

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended December 31, 2020

| FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE                             | FEDERAL<br>CFDA<br>NUMBER | GRANT/<br>CONTRACT<br>NUMBER | FEDERAL<br>AWARDS<br>EXPENDED |
|--|---------------------------|------------------------------|-------------------------------|
| <i>Medical Assistance Program (Medicaid Cluster)</i>                           |                           |                              |                               |
| Medical Assistance Program - Single Entry Point                                | 93.778                    | 19-110378A1                  | 192,061                       |
| Medical Assistance Program - Healthy Communities                               | 93.778                    |                              | 14,446                        |
| Medical Assistance Program - Single Entry Point/HCA                            | 93.778                    | IHGA 202000001352            | 19                            |
| <i>Total Medical Assistance Program (Medicaid Cluster)</i>                     |                           |                              | <u>206,526</u>                |
| Block Grants for Prevention and Treatment of Substance Abuse                   | 93.959                    |                              | 53,339                        |
| Preventative Health Services - Non-Cash Assistance                             | 93.977                    |                              | 12,760                        |
| Preventive Health and Health Services Block Grant                              | 93.991                    |                              | 12,916                        |
| Maternal and Child Health Services Block Grant to the States                   | 93.994                    |                              | 70,186                        |
| <b>Pass through Colorado Department of Health Care Policy &amp; Financing:</b> |                           |                              |                               |
| Children's Health Insurance Program  | 93.767                    | 201600000000000000000026     | 3,440                         |
| <b>TOTAL UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>             |                           |                              | <u>1,179,819</u>              |
| <b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>                                    |                           |                              | <u><u>\$ 3,370,212</u></u>    |

# SAN JUAN BASIN PUBLIC HEALTH

## NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2020

### 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of San Juan Basin Public Health under programs of the federal government for the year ended December 31, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of San Juan Basin Public Health, it is not intended to and does not present the financial position, changes in net position, or cashflows of San Juan Basin Public Health, Colorado.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized, as applicable, either under the cost principles in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. San Juan Basin Public Health has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting.

### 3. NONMONETARY ASSISTANCE

Certain federal assistance programs do not involve cash awards to the Department. The State of Colorado has arranged with the District to perform the intake function for the Special Supplemental Nutrition Program for Women, Infants and Children, CFDA No. 10.557, includes \$449,627 of food vouchers provided to individuals in the District's service area. The District also provided Preventative Health Services, CFDA No. 93.977, included \$12,760 of noncash supplies to the Department, as reported by the Colorado Department of Public Health and Environment.

### 4. SUB-RECIPIENTS

Of the federal expenditures presented in this schedule, the District provided no federal awards to sub-recipients.