

**Northwest Colorado Visiting Nurse Association
d/b/a Northwest Colorado Health and Affiliate**

Independent Auditor's Report and Consolidated Financial Statements

December 31, 2019 and 2018

**Northwest Colorado Visiting Nurse Association
d/b/a Northwest Colorado Health and Affiliate
December 31, 2019 and 2018**

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Independent Auditor's Report

Board of Directors
Northwest Colorado Visiting Nurse Association
d/b/a Northwest Colorado Health and Affiliate
Steamboat Springs, Colorado

We have audited the accompanying consolidated financial statements of Northwest Colorado Visiting Nurse Association d/b/a Northwest Colorado Health and Affiliate (the Organization), which comprise the consolidated balance sheets as of December 31, 2019 and 2018, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

Board of Directors
Northwest Colorado Visiting Nurse Association
d/b/a Northwest Colorado Health and Affiliate

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of December 31, 2019 and 2018, and the results of its operations, changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary information

Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information, including consolidating information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated 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 information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Emphasis of Matters

As described in Note 2 to the financial statements, in 2019, the Organization adopted Accounting Standards Update 2014-09 (ASU), *Revenue from Contracts with Customers (Topic 606)* and ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Made*. Our opinions are not modified in respect to these matters.

BKD, LLP

Denver, Colorado
July 23, 2020

Northwest Colorado Visiting Nurse Association d/b/a Northwest Colorado Health and Affiliate

Consolidated Balance Sheets December 31, 2019 and 2018

Assets

	2019	2018
Current Assets		
Cash and cash equivalents	\$ 1,400,993	\$ 1,816,344
Patient accounts receivable, net of allowance; 2018 - \$259,074	760,305	1,005,267
Estimated amounts due from third-party payers	30,904	10,483
Due from agencies	771,504	660,336
Prepaid expenses and other assets	327,967	160,043
	<u>3,291,673</u>	<u>3,652,473</u>
Total current assets		
	<u>3,291,673</u>	<u>3,652,473</u>
Deposits	26,279	26,279
	<u>26,279</u>	<u>26,279</u>
Beneficial Interest in Assets Held by Yampa Valley Community Foundation	153,946	128,982
	<u>153,946</u>	<u>128,982</u>
Property and Equipment, at Cost		
Land	1,173,817	1,151,366
Buildings and building improvements	8,917,402	8,792,934
Furniture, equipment and vehicles	712,227	649,658
Construction in progress	149,759	-
	<u>10,953,205</u>	<u>10,593,958</u>
Less accumulated depreciation	3,806,043	3,511,523
	<u>7,147,162</u>	<u>7,082,435</u>
	<u>7,147,162</u>	<u>7,082,435</u>
Total assets	<u>\$ 10,619,060</u>	<u>\$ 10,890,169</u>

**Northwest Colorado Visiting Nurse Association
d/b/a Northwest Colorado Health and Affiliate**

Consolidated Balance Sheets (continued)

December 31, 2019 and 2018

Liabilities and Net Assets

	2019	2018
Current Liabilities		
Current maturities of long-term debt	\$ 68,278	\$ 65,886
Accounts payable	219,460	307,511
Accrued payroll and benefits	980,309	887,351
Assets held on behalf of others	177,062	185,744
	<u>1,445,109</u>	<u>1,446,492</u>
Total current liabilities		
	<u>1,445,109</u>	<u>1,446,492</u>
Long-term Debt	<u>1,797,964</u>	<u>1,861,264</u>
Total liabilities	<u>3,243,073</u>	<u>3,307,756</u>
Net Assets		
Without donor restrictions		
Board-designated - Special Projects Fund	106,438	89,214
Undesignated	6,513,026	6,843,745
	<u>6,619,464</u>	<u>6,932,959</u>
Total net assets without donor restrictions		
	<u>6,619,464</u>	<u>6,932,959</u>
With donor restrictions	756,523	649,454
	<u>756,523</u>	<u>649,454</u>
Total net assets		
	<u>7,375,987</u>	<u>7,582,413</u>
Total liabilities and net assets	<u>\$ 10,619,060</u>	<u>\$ 10,890,169</u>

Northwest Colorado Visiting Nurse Association d/b/a Northwest Colorado Health and Affiliate

Consolidated Statements of Operations Years Ended December 31, 2019 and 2018

	2019	2018
Revenues, Gains and Other Support Without Donor Restrictions		
Patient service revenue, net of contract allowance; 2018 - \$1,092,326	\$ 6,476,913	\$ 6,872,350
Agency contracts and grants	4,917,970	5,173,475
Contributions	553,529	788,177
Other income	56,559	71,166
In-kind contributions	90,570	82,985
Net assets released from restrictions used for operations	<u>1,156,724</u>	<u>916,704</u>
 Total revenues, gains and other support without donor restrictions	 <u>13,252,265</u>	 <u>13,904,857</u>
Expenses		
Salaries and benefits	9,973,789	9,521,437
Contract and professional services	880,916	828,790
Supplies	775,447	714,123
Other operating expenses	1,545,817	1,764,029
Provision for uncollectible accounts	-	853,876
Depreciation and amortization	289,759	282,965
Interest expense	62,951	61,116
In-kind expenses	<u>90,570</u>	<u>82,985</u>
 Total expenses	 <u>13,619,249</u>	 <u>14,109,321</u>
Operating Loss	<u>(366,984)</u>	<u>(204,464)</u>
Other Income		
Change in beneficial interest in net assets held by Yampa Valley Community Foundation	24,964	(9,566)
Rental income, net of expenses	23,446	18,315
Investment income	<u>5,079</u>	<u>16,747</u>
 Total other income	 <u>53,489</u>	 <u>25,496</u>
Deficiency of Revenues Over Expenses and Decrease in Net Assets Without Donor Restrictions	 <u><u>\$ (313,495)</u></u>	 <u><u>\$ (178,968)</u></u>

**Northwest Colorado Visiting Nurse Association
d/b/a Northwest Colorado Health and Affiliate**

**Consolidated Statements of Changes in Net Assets
Years Ended December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Net Assets Without Donor Restrictions		
Deficiency of revenues over expenses and decrease in net assets without donor restrictions	<u>\$ (313,495)</u>	<u>\$ (178,968)</u>
Net Assets With Donor Restrictions		
Contributions received	1,263,793	982,009
Net assets released from restrictions	<u>(1,156,724)</u>	<u>(916,704)</u>
Increase in net assets with donor restrictions	<u>107,069</u>	<u>65,305</u>
Change in Net Assets	(206,426)	(113,663)
Net Assets, Beginning of Year	<u>7,582,413</u>	<u>7,696,076</u>
Net Assets, End of Year	<u><u>\$ 7,375,987</u></u>	<u><u>\$ 7,582,413</u></u>

Northwest Colorado Visiting Nurse Association d/b/a Northwest Colorado Health and Affiliate

Consolidated Statements of Cash Flows Years Ended December 31, 2019 and 2018

	2019	2018
Operating Activities		
Change in net assets	\$ (206,426)	\$ (113,663)
Items not requiring cash		
Depreciation and amortization	289,759	282,965
Change in beneficial interest in assets held by Yampa Valley Community Foundation	(24,964)	9,566
Provision for uncollectible accounts	-	853,876
Changes in		
Patient accounts receivable, net	244,962	(1,055,865)
Estimated amounts due from third-party payers	(20,421)	(10,483)
Due from agencies	(111,168)	(85,944)
Prepaid expenses, other assets and deposits	(167,924)	(12,037)
Accounts payable	(27,126)	104,239
Accrued payroll and benefits	92,958	57,260
Assets held on behalf of others	(8,682)	(54,789)
Net cash provided by (used in) operating activities	<u>60,968</u>	<u>(24,875)</u>
Investing Activities		
Purchase of property and equipment	<u>(411,866)</u>	<u>(1,114,051)</u>
Net cash used in investing activities	<u>(411,866)</u>	<u>(1,114,051)</u>
Financing Activities		
Principal payments on long-term debt	(64,453)	(57,951)
Proceeds from issuance of long-term debt	<u>-</u>	<u>1,057,000</u>
Net cash provided by (used in) financing activities	<u>(64,453)</u>	<u>999,049</u>
Decrease in Cash and Cash Equivalents	<u>(415,351)</u>	<u>(139,877)</u>
Cash and Cash Equivalents, Beginning of Year	<u>1,816,344</u>	<u>1,956,221</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 1,400,993</u></u>	<u><u>\$ 1,816,344</u></u>
Supplemental Cash Flow Information		
Interest paid	<u><u>\$ 62,951</u></u>	<u><u>\$ 61,116</u></u>

Northwest Colorado Visiting Nurse Association d/b/a Northwest Colorado Health and Affiliate

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Northwest Colorado Visiting Nurse Association d/b/a Northwest Colorado Health (the Company) is a not-for-profit agency providing services including prevention services, primary/ dental/ behavioral health care, home health, hospice, assisted living and respite care to clients in Northwest Colorado, primarily in Routt, Moffat and Jackson Counties. The Company's primary mission is to improve the quality of life for all Northwest Colorado residents by providing comprehensive health resources and creating an environment that supports community wellness. The Company is committed to, and actively involved in, providing comprehensive health and wellness services for people of all ages, income levels and insurance statuses. Most services are offered on a sliding scale; no individual is denied services or care based on his/her ability to pay. In addition, the Company controls West Routt Rural Health Council, Inc. d/b/a/ The Haven (collectively, the Organization). The consolidated financial statements include the accounts of the Company and its affiliate.

The Company obtained control of West Routt Rural Health Council, Inc. (the Council) on November 22, 2005. The Council is a not-for-profit corporation with the sole purpose of assisting and enriching health care, health education and senior boarding care to improve quality of life in the community. The Council operates a 20-bed assisted living facility known as The Haven located in Hayden, Colorado. The Haven provides Assisted Living for seniors 55 years or older who do not require skilled nursing care but no longer can, or want, to live alone. A room at The Haven includes all utilities, housekeeping, companionship, social activities, exercise programs, meals, help with medications if needed, laundry if needed, medic alert system and assistance with daily living tasks.

Principles of Consolidation and Basis of Accounting

The accompanying consolidated financial statements include the accounts of the Company and the Council. All material intercompany transactions and balances have been eliminated in the consolidated financial statements.

Public Health/Community Care

The Public Health/Community Care program encompasses a wide variety of sub-programs that prevent disease, protect against avoidable injuries and promote healthy habits – all aimed at keeping the general population healthy, employed and self-sustaining. Programs include the following: Immunization Clinics; Chronic Disease Screening and Prevention Programs (cardiovascular disease, diabetes, tobacco), Seniors Wellness Clinics, School Health; Nurse-Family Partnership, SafeCare Colorado, Women, Infants and Children (WIC), Tobacco Education and Prevention, Communicable Disease Management, Vital Statistics and Youth Resiliency.

Northwest Colorado Visiting Nurse Association d/b/a Northwest Colorado Health and Affiliate

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

Community Health Center

The Company operates two Federally Qualified Health Centers (FQHC), one in Steamboat Springs and one in Craig. The Company also operates two dental clinics, one in Craig and one in Oak Creek. The goal of the Community Health Center program is to provide all residents of northwest Colorado the opportunity to establish a medical home regardless of income. Community Health Centers ensure that everyone has access to preventative care and can see a health care provider when they are sick. These model clinics provide a full range of primary care services, such as treatment and management of acute and chronic illness, pediatric and adolescent care, physical exams, women's health, family planning, minor surgery, immunizations, assistance with prescriptions and behavioral health services, for people of all ages, income levels and insurance statuses – all on a sliding fee scale. The model also includes fully integrated primary and oral health care.

Home Health

Home Health provides skilled nursing and other personalized health care, in the comfort and security of the home for treatment of illness or injury. Home Health staff members provide nursing care, physical and occupational therapy services, social work, case management and referrals to other programs for homebound patients. Home Health also includes a range of in-home services aimed at enabling elderly patients to remain independent and in their homes as long as possible. The In-Home Services program provides skilled nursing services, personal care services and homemaker services (grocery shopping, laundry, light housekeeping, meal preparation, errand assistance, etc.) on an hourly basis to private pay individuals and low-income seniors.

Hospice

The Hospice program relieves suffering and improves quality of life for community members and their families facing life-threatening or terminal illness. The interdisciplinary hospice team is focused on the emotional needs, spiritual well-being and physical health of patients. Support and training for family caregivers is provided as well. Compassionate, high quality care enables patients to approach the end of life with dignity and comfort in the home, if desired. Hospice also offers bereavement services for family members of all ages.

Assisted Living

The Haven, a 20-bed assisted living facility, offers a caring, homelike atmosphere and exceptional amenities and programs for seniors 55 and older. The Haven also offers respite care for adults who need temporary assisted living care.

Supporting Services

Supporting services are those services necessary to ensure the financial, economic and programmatic viability of the Organization. They include management and general facility operations and resource development efforts.

Northwest Colorado Visiting Nurse Association d/b/a Northwest Colorado Health and Affiliate

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

Use of Estimates

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

Cash and Cash Equivalents

The Organization considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2018 cash equivalents consisted primarily of short-term certificates of deposit through the Certificate of Deposit Account Registry Service (CDARS) program. At December 31, 2019, the Organization did not have cash equivalents.

At December 31, 2019, the Organization's cash accounts exceeded federally insured limits by approximately \$481,000.

Patient Accounts Receivable

Patient accounts receivable reflects the outstanding amount of consideration to which the Organization expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and government programs) and others. As a service to the patient, the Organization bills third-party payers directly and bills the patient when the patient's responsibility for co-pays, coinsurance and deductibles is determined. Patient accounts receivable are due in full when billed.

Contract Assets and Liabilities

Amounts related to health care services provided to patients which have not been billed and that do not meet the conditions of an unconditional right to payment at the end of the reporting period are contract assets. At December 31, 2019, the Organization did not have contract assets. At December 31, 2018, the Organization did not have amounts related to health care services provided to patients which have not been billed and did not meet the conditions of an unconditional right to payment as of the year then ended.

Amounts received related to health care services that have not yet been provided to patients are contract liabilities. Contract liabilities consist of payments made by patients and third-party payers for services not yet performed. Contract liabilities are included in patient accounts receivable for approximately \$33,000 at December 31, 2019. At December 31, 2018, amounts related to payments received for future health care services are included on the balance sheet in patient accounts receivable, net of allowance.

Northwest Colorado Visiting Nurse Association d/b/a Northwest Colorado Health and Affiliate

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

Property and Equipment

Property and equipment acquisitions over \$5,000 are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization is charged to expense on the straight-line basis over the estimated useful life of each asset.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Buildings and building improvements	10–39 years
Furniture, equipment and vehicles	3–15 years

Long-lived Asset Impairment

The Organization evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the years ended December 31, 2019 and 2018.

Debt Issuance Costs

Debt issuance costs represent costs incurred in connection with the issuance of long-term debt. The Organization records these costs as direct deductions from the related debt. Such costs are being amortized over the term of the respective debt using the effective interest method and are netted with long-term debt.

Assets Held on Behalf of Others

Assets held on behalf of others includes funds received which have not been used for their specific purpose. These funds are recorded in the consolidated balance sheets cash and cash equivalents.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor or certain grantor restrictions. The governing board has designated, from net assets without donor or certain grantor restrictions, net assets for a special projects fund.

Net assets with donor restrictions are subject to donor or certain grantor restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor.

Northwest Colorado Visiting Nurse Association d/b/a Northwest Colorado Health and Affiliate

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

Patient Service Revenue

Patient service revenue is recognized as the Organization satisfies performance obligations under its contracts with patients. Patient service revenue is reported at the estimated transaction price or amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing patient care. The Organization determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the Organization's policies and implicit price concessions provided to uninsured patients.

The Organization determines its estimates of explicit price concessions which represent adjustments and discounts based on contractual agreements, its discount policies and historical experience by payor groups. The Organization determines its estimate of implicit price concessions based on its historical collection experience by classes of patients. The estimated amounts also include variable consideration for retroactive revenue adjustments due to settlement of audits, reviews and investigations by third-party payors.

Contributions

Contributions are provided to the Organization either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on the Organization overcoming a donor imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> the donor imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

Northwest Colorado Visiting Nurse Association d/b/a Northwest Colorado Health and Affiliate

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period the gift is received are recorded as revenue with donor restrictions and then released from restriction.

Conditional contributions and investment income having donor stipulations which are satisfied in the period the gift is received and the investment income is earned are recorded as revenue with donor restrictions and then released from restriction.

In-kind Contributions

In addition to receiving cash contributions, the Organization receives in-kind contributions from various donors. It is the policy of the Organization to record the estimated fair value of certain in-kind donations as an expense in its consolidated financial statements, and similarly increase contribution revenue by the same amount. For the years ended December 31, 2019 and 2018, \$90,570 and \$82,985, respectively, was received in in-kind contributions.

Deficiency of Revenues Over Expenses

The consolidated statements of operations include deficiency of revenues over expenses. Changes in net assets without donor restrictions which are excluded from deficiency of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments other than trading securities, permanent transfers to and from affiliates for other than goods and services and contributions of long-lived assets, including assets acquired using contributions, which by donor restriction were to be used for the purpose of acquiring such assets, if applicable.

Self-insurance

The Organization has elected to self-insure certain costs related to employee health and accident benefit programs. Costs resulting from noninsured losses are charged to income when incurred. The Organization has purchased insurance that limits its exposure for individual claims and that limits its aggregate exposure to \$1,000,000.

Income Taxes

The Organization is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, the Organization is subject to federal income tax on any unrelated business taxable income.

The Organization files tax returns in the U.S. federal jurisdiction.

Northwest Colorado Visiting Nurse Association d/b/a Northwest Colorado Health and Affiliate

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

Liability Claims

The Organization purchases workers' compensation insurance under a claims-made policy. Under such a policy, only claims made and reported to the insurer during the policy term, regardless of when the incidents giving rise to the claims occurred, are covered. The Organization also purchases insurance that limits its exposure for employee health insurance claims that exceed the individual limit per covered person, per year.

Note 2: Changes in Accounting Principles

Topic 606, *Revenue from Contracts with Customers*

On January 1, 2019, the Organization adopted Financial Accounting Standards Board Accounting Standards Update 2014-09, *Revenue from Contracts with Customers (Topic 606)*, using a modified retrospective method of adoption to all contracts with patients at January 1, 2019.

The core guidance in Topic 606 is to recognize revenue to depict the transfer of promised goods or services to patients in amounts that reflect the consideration to which the Organization expects to be entitled in exchange for those goods or services.

The amount to which the Organization expects to be entitled is calculated as the transaction price and recorded as revenue in exchange for providing patient services to its patients.

Adoption of Topic 606 resulted in changes in presentation of financial statements and related disclosures in the notes to the consolidated financial statements.

Prior to the adoption of Topic 606, the majority of the provision for uncollectible accounts related to patients without insurance, as well as patient responsibility balances for co-pays, co-insurance and deductibles for patients with insurance. Under Topic 606, the estimated amounts due from patients for which the Organization does not expect to be entitled or collect from the patients are considered implicit price concessions and excluded from the Organization's estimation of the transaction price or revenue recorded.

The adoption had no impact on operating loss, overall change in net assets or net cash provided by (used in) operating activities.

Northwest Colorado Visiting Nurse Association d/b/a Northwest Colorado Health and Affiliate

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

	Balances Without Adoption of Topic 606	As Reported	Effect of Adoption
Statements of Operations			
Revenues, Gains and Other Support Without Donor Restrictions			
Patient service revenue, net of contract allowances	\$ 7,618,526	\$ 6,476,913	\$ (1,141,613)
Total revenues, gains and other gains and other support without donor restriction	14,393,878	13,252,265	(1,141,613)
Expenses			
Provision for uncollectible accounts	1,141,613	-	1,141,613
Total expenses	14,760,862	13,619,249	1,141,613
Statements of Cash Flows			
Provision for uncollectible accounts	\$ 1,141,613	\$ -	\$ (1,141,613)
Changes in patient accounts receivable	\$ (896,651)	\$ 244,962	\$ 1,141,613

ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Made*

On January 1, 2019, the Organization adopted the Financial Accounting Standards Board Accounting Standards Update 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Made*, (ASU 2018-08) using a modified prospective basis method of adoption to all agreements with grantors that are either not completed as of January 1, 2019 or were entered into during the 2019 fiscal year. ASU 2018-08 clarifies existing guidance on determining whether transactions are a contribution or exchange transaction. The amendments clarify how the Organization determines whether a resource provider (foundation, government agencies, etc.) is receiving commensurate value in return for the resource transferred and whether a contribution is conditional or unconditional.

The adoption of ASU 2018-08 had no impact on operating loss or overall change in net assets.

Northwest Colorado Visiting Nurse Association d/b/a Northwest Colorado Health and Affiliate

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

Note 3: Beneficial Interest in Assets of Yampa Valley Community Foundation

The Organization has transferred assets to Yampa Valley Community Foundation (the Foundation) and retained a beneficial interest in those assets. In addition, the Organization is the beneficiary of donations made to the Foundation on the Organization's behalf. The beneficial interest consists of two funds. The funds are without donor restrictions and are for the purpose of funding ongoing operations of the Organization. The Foundation may distribute earnings to the Organization of the funds based on a formula and the remaining amount is included in board-designated endowment funds. Transfers of assets and earnings between the Organization and the Foundation are recognized as increases or decreases in the beneficial interest. The cumulative amount of the retained beneficial interest included in the consolidated balance sheets was \$153,946 and \$128,982 at December 31, 2019 and 2018, respectively.

Note 4: Patient Service Revenue

Patient service revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and government programs) and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews and investigations. Generally, the Organization bills the patients and third-party payors several days after the services are performed or the patient is discharged from the facility. Revenue is recognized as performance obligations are satisfied.

Performance Obligations

Performance obligations are determined based on the nature of the services provided by the Organization. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected or actual charges. The Organization believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients in the Organization receiving services in its outpatient centers or in their homes (home care). The Organization measures the performance obligation from admission, or the commencement of an outpatient service, to the point when it is no longer required to provide services to that patient, which is generally at the time of completion of the services. Revenue for performance obligations satisfied at a point in time is generally recognized when goods are provided to its patients and customers in a retail setting (for example, pharmaceuticals and medical equipment) and the Organization does not believe it is required to provide additional goods related to the patient.

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Transaction Price

The Organization determines the transaction price based on standard charges for goods and services provided, reduced by explicit price concessions which consist of contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the Organization's sliding fee discount policy, and implicit price concessions provided to uninsured patients. The Organization determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies and historical experience. The Organization determines its estimate of implicit price concessions based on its historical collection experience with this class of patients.

Third-party Payors

Agreements with third-party payors typically provide for payments at amounts less than established charges. A summary of the payment arrangements with major third-party payors follows:

Medicare. Covered Federally Qualified Health Center (FQHC) services rendered to Medicare program beneficiaries are paid in accordance with provisions of Medicare's Prospective Payment System (PPS) for FQHCs. Medicare payments, including patient coinsurance, are paid on the lesser of the Organization's actual charge or the applicable PPS rate. Services not covered under the FQHC benefit are paid based on established fee schedules.

Services rendered to Medicare program beneficiaries for home health are reimbursed under a prospective methodology, and no additional settlement will be made on the difference between the interim prospective amounts paid and actual cost. Hospice services provided by the Organization are reimbursed prospectively subject to certain limitations, and no additional settlement will be made on the difference between the interim per diem rates and actual costs.

The Organization's Medicare hospice revenue is subject to an annual per-beneficiary limit (Medicare cap). The Medicare cap limits total Medicare payments to each of the Organization's hospice licenses to a specified dollar amount multiplied by the prorated number of Medicare beneficiaries receiving services from that provider during the cap year. Prorated beneficiaries are calculated by determining the ratio of the hospice services provided by the Organization to each beneficiary as a proportion of the total past, current and future hospice services that beneficiary receives from any hospice provider. The cap year ends on September 30 each year. The Organization monitors its license carefully, and at December 31, 2019, there was no estimated cap liability.

Medicaid. Covered FQHC services rendered to Medicaid program beneficiaries are paid based on a prospective reimbursement methodology with final settlement determined after submission of an annual cost report. The Organization is reimbursed a set encounter rate for all services provided under the plan.

Home health and hospice services rendered to Medicaid program beneficiaries are reimbursed prospectively at rates established by the state Medicaid program, with no settlement made on the difference between the interim prospective amounts paid and actual costs.

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December 31, 2019 and 2018

Other. Payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations provide for payment using prospectively determined rates, discounts from established charges and prospectively determined daily rates.

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. As a result of investigations by governmental agencies, various health care organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation, as well as significant regulatory action, including fines, penalties and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge the Organization's compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have upon the Organization. In addition, the contracts the Organization has with commercial payors also provide for retroactive audit and review of claims.

Settlements with third-party payors for retroactive adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and the Organization's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known based on newly available information or as years are settled or are no longer subject to such audits, reviews and investigations.

Patient and Uninsured Payors

Consistent with the Organization's mission, care is provided to patients regardless of their ability to pay. Therefore, the Organization has determined it has provided implicit price concessions to uninsured patients and patients with other uninsured balances, such as copays and deductibles. The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts the Organization expects to collect based on its collection history with those patients.

Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. As required by Section 330 of the Public Health Service Act (42 U.S.C. §254b), the Organization also has established a sliding fee discount program and offers low-income patients a sliding fee discount from standard charges. The Organization estimates the transaction price for patients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts and implicit price concessions based on historical collection experience. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient

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service revenue in the period of the change. For the years ended December 31, 2019 and 2018, no significant revenue was recognized due to changes in its estimates of implicit price concessions, discounts and contractual adjustments for performance obligations satisfied in prior years. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay are recorded as bad debt expense.

Refund Liabilities

From time to time the Organization will receive overpayments of patient balances from third-party payors or patients resulting in amounts owed back to either the patients or third-party payors. These amounts are excluded from revenues and are recorded in patient accounts receivable until they are refunded. As of December 31, 2019 and 2018, the Organization recorded refunds to third-party payors and patients of approximately \$40,000 and \$30,000, respectively, in patient accounts receivable.

Revenue Composition

The Organization has determined that the nature, amount, timing and uncertainty of revenue and cash flows are affected by the following factors:

- Payors (for example, Medicare, Medicaid, managed care or other insurance, patient) have different reimbursement and payment methodologies
- Lines of business that provided the service (for example: community health center, home health, hospice, assisted living, etc.)

For the years ended December 31, 2019 and 2018, the Organization recognized all patient service revenue from goods and services as a transfer to the customer over time.

Note 5: Concentration of Credit Risk

The Organization grants credit without collateral to its patients, most of whom are area residents and are insured under third-party payer agreements. The mix of receivables from patients and third-party payers at December 31, 2019 and 2018, is:

	2019	2018
Medicare	42%	44%
Medicaid	31%	29%
Other third-party payers	11%	18%
Private pay	16%	9%
	<u>100%</u>	<u>100%</u>

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December 31, 2019 and 2018

Note 6: Conditional Grants and Contributions

The Organization has received the following conditional promises to give at December 31, 2019 that are not recognized in the consolidated financial statements:

	<u>2019</u>
Conditional grant to give upon incurring allowable expenditures under the agreement	<u>\$ 3,052,613</u>

Note 7: Long-term Debt

	<u>2019</u>	<u>2018</u>
Note payable (A)	\$ 861,817	\$ 904,559
Note payable (B)	658,735	672,716
Note payable (C)	361,643	369,373
Less unamortized debt issuance costs	(15,953)	(19,498)
Less current maturities	<u>(68,278)</u>	<u>(65,886)</u>
	<u>\$ 1,797,964</u>	<u>\$ 1,861,264</u>

- (A) In 2014, the Organization obtained a note payable in the original amount of \$1,082,474 with a due date of June 1, 2034; monthly payments of \$6,403 each, including interest at a fixed rate of 3.65%; secured by the Organization's property. The note payable agreement requires the Organization to comply with certain covenants. Unamortized debt issuance costs were \$15,953 and \$19,498 at December 31, 2019 and 2018, respectively.
- (B) In 2018, the Organization obtained a note payable in the original amount of \$682,000 with a due date of March 27, 2048; monthly payments of \$3,063 each, including interest at a fixed rate of 3.50%; secured by the Organization's property.
- (C) In 2018, the Organization obtained a note payable in the original amount of \$375,000 with a due date of March 15, 2048; monthly payments of \$1,632 each, including interest at a fixed rate of 3.25%; secured by the Organization's property.

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Aggregate annual maturities of long-term debt at December 31, 2019:

2020	\$ 68,278
2021	70,758
2022	73,328
2023	75,991
2024	78,751
Thereafter	<u>1,515,089</u>
	<u><u>\$ 1,882,195</u></u>

Note 8: Net Assets

Net Assets with Donor Restrictions

Net assets with donor restrictions at December 31 are restricted for the following purposes or periods:

	<u>2019</u>	<u>2018</u>
Subject to expenditure for specified purpose		
Public Health	\$ -	\$ 127,829
Prevention Services	103,613	-
Community Health Center	503,226	267,229
Administration and other	133,184	188,551
Home Health and Hospice	<u>16,500</u>	<u>65,845</u>
	<u><u>\$ 756,523</u></u>	<u><u>\$ 649,454</u></u>

Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	<u>2019</u>	<u>2018</u>
Purpose restrictions accomplished		
Choose When Program	\$ -	\$ 195,243
Public Health	472,921	180,015
Community Health Center	233,605	239,294
Administration and other	286,603	167,006
Home Health and Hospice	<u>163,595</u>	<u>135,146</u>
Total restrictions released	<u><u>\$ 1,156,724</u></u>	<u><u>\$ 916,704</u></u>

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Net Assets Without Donor Restrictions

Net assets without donor restrictions at December 31 are restricted for the following purposes:

	2019	2018
Board-designated special projects fund	\$ 106,438	\$ 89,214

Note 9: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2019 and 2018, comprise the following:

	2019	2018
Financial Assets at Year-end		
Cash and cash equivalents	\$ 1,400,993	\$ 1,816,344
Patient accounts receivable, net	760,305	1,005,267
Estimated amounts due from third-party payers	30,904	10,483
Due from agencies	771,504	660,336
Interest in assets held by Yampa Valley Community Foundation	153,946	128,982
Total financial assets	3,117,652	3,621,412
Less Amounts Not Available to be Used Within One Year		
Board-designated with liquidity horizons greater than one year	106,438	89,214
Funds held by Yampa Valley Community Foundation	153,946	128,982
Donor restricted with liquidity horizons greater than one year	-	649,454
Financial assets not available to be used within one year	260,384	867,650
Financial assets available to meet general expenditures within one year	\$ 2,857,268	\$ 2,753,762

The Organization has certain board-designated and donor-restricted assets limited to use which are available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been included in the qualitative information above for financial assets to meet general expenditures within one year. Certain board-designated assets are designated for future special projects. These assets limited to use, which are more fully described in Notes 1 and 8, are not available for general expenditure within the next year. However, the board-designated amounts could be made available, if necessary.

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As part of the Organization's liquidity management, there is a Reserves Policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

Note 10: Functional Expenses

The Organization provides health care services primarily to residents within its geographic area. Certain costs attributable to more than one function have been allocated among the health care services, general and administrative and fundraising functional expense classifications based on employee time and effort, direct department expenses, and other methods. The following schedule presents the natural classification of expenses by function as follows:

	2019								
	Health Care Services					Support Services			
	Prevention Service	Home Services	Community Health Center	The Haven	Total	General and Administrative	Fundraising	Total	
Salaries and benefits	\$ 1,562,145	\$ 1,982,308	\$ 4,552,299	\$ 404,289	\$ 8,501,041	\$ 1,461,699	\$ 11,049	\$ 9,973,789	
Contract and professional services	55,391	272,008	427,422	-	754,821	123,863	2,232	880,916	
Supplies	59,326	84,945	529,679	44,637	718,587	47,281	9,579	775,447	
Other operating expenses	210,111	212,951	230,093	913	654,068	882,083	9,666	1,545,817	
Depreciation and amortization	-	-	-	-	-	289,231	528	289,759	
Interest expense	-	-	-	-	-	62,951	-	62,951	
In-kind expenses	-	119	73,955	-	74,074	16,496	-	90,570	
Total expenses	\$ 1,886,973	\$ 2,552,331	\$ 5,813,448	\$ 449,839	\$ 10,702,591	\$ 2,883,604	\$ 33,054	\$ 13,619,249	

	2018								
	Health Care Services					Support Services			
	Prevention Service	Home Services	Community Health Center	The Haven	Total	General and Administrative	Fundraising	Total	
Salaries and benefits	\$ 1,908,905	\$ 1,981,179	\$ 3,691,936	\$ 407,795	\$ 7,989,815	\$ 1,523,011	\$ 8,611	\$ 9,521,437	
Contract and professional services	34,857	291,305	373,928	-	700,090	128,700	-	828,790	
Supplies	179,605	75,248	348,170	44,479	647,502	51,915	14,706	714,123	
Other operating expenses	272,881	222,033	203,762	3,680	702,356	833,864	227,809	1,764,029	
Provision for uncollectible accounts	81,097	270,396	511,260	(8,877)	853,876	-	-	853,876	
Depreciation and amortization	-	-	-	-	-	282,965	-	282,965	
Interest expense	-	28	-	-	28	61,088	-	61,116	
In-kind expenses	57,449	-	-	2,014	59,463	23,522	-	82,985	
Total expenses	\$ 2,534,794	\$ 2,840,189	\$ 5,129,056	\$ 449,091	\$ 10,953,130	\$ 2,905,065	\$ 251,126	\$ 14,109,321	

Note 11: Employee Retirement Plan

The Organization has a 403(b) retirement savings plan (the Plan) covering all employees. Employees are immediately eligible to make elective deferrals to the Plan. Prior to July 1, 2019, employees were immediately vested 100% in all contributions. Effective July 1, 2019, the Plan was amended to include a three-year vesting schedule for employer-matching and profit-sharing contributions. The Plan allows the employer to vary the amount of the employer contributions during the plan year, and the Organization's profit-sharing contributions are discretionary as determined by the Organization's Board of Directors. During 2019 and 2018, the Organization elected to make matching contributions of 100% of employees' salary deferral amounts on the first

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December 31, 2019 and 2018

3% of employees' compensation. For the years ended December 31, 2019 and 2018, the Organization had total retirement plan contribution expenses of \$164,720 and \$164,195, respectively.

Note 12: Disclosures About Fair Values of Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. The hierarchy comprises three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Recurring Measurements

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying consolidated balance sheets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2019 and 2018:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2019	Fair Value			
Beneficial interest in assets held by Yampa Valley Community Foundation	\$ 153,946	\$ -	\$ 153,946	\$ -

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December 31, 2019 and 2018

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2018	Fair Value			
Beneficial interest in assets held by Yampa Valley Community Foundation	\$ 128,982	\$ -	\$ 128,982	\$ -

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying consolidated balance sheets, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2019.

Beneficial Interest in Assets Held by Yampa Valley Community Foundation

Fair value is estimated at the present value of the future distributions expected to be received over the term of the agreement. Due to the nature of the valuation inputs, the interest is classified within Level 2 of the hierarchy.

Note 13: Letter of Credit

The Organization maintains a letter of credit with a financial institution in the amount of \$28,248 that matured on May 16, 2020. Subsequent to year-end, the letter of credit was renewed for \$22,000 and matures May 16, 2022. Interest accrues at a fixed rate of 3.85% on any outstanding balances.

The letter of credit is secured by certificates of deposit held with the financial institution. The letter of credit is maintained to meet unemployment coverage requirements with the state of Colorado. At December 31, 2019, there were no amounts outstanding.

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Notes to Consolidated Financial Statements

December 31, 2019 and 2018

Note 14: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Variable Consideration

Estimates of variable consideration in determining the transaction price for patient service revenue as described in Notes 1 and 4.

Professional Liability Coverage and Claims

The Council pays fixed premiums for annual professional liability insurance coverage under an occurrence based policy while the Company pays premiums under a claims-made policy. There were no claims outstanding at December 31, 2019 and the Organization is not aware of any unasserted claims or unreported incidents that are expected to exceed malpractice insurance coverage limits.

Self-insurance

The Organization has a partially self-insured plan for employee health insurance benefits which is managed by a third-party administrator. The Organization makes regular payments to the plan to pay estimated claims. The Organization has purchased insurance that limits its exposure for individual claims and that limits its aggregate exposure to \$37,500 per covered person, per year. The liability on the plan at December 31, 2019 and 2018 was \$258,683 and \$178,225, respectively, and is included in accrued payroll and benefits on the balance sheets.

General Litigation

The Organization is subject to claims and lawsuits that could arise in the ordinary course of its activities. Some of these allegations could be in areas not covered by the Organization's self-insurance program (discussed elsewhere in these notes) or by commercial insurance; for example, allegations regarding employment practices or performance of contracts. The Organization evaluates such allegations by conducting investigations to determine the validity of each potential claim. It is the opinion of management the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the consolidated balance sheets, change in net assets and cash flows of the Organization. Events could occur that would change this estimate materially in the near term.

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Notes to Consolidated Financial Statements

December 31, 2019 and 2018

Note 15: Subsequent Events

Subsequent events have been evaluated through July 23, 2020, which is the date the financial statements were available to be issued.

Coronavirus Aid, Relief, and Economic Security Act

On March 27, 2020, President Trump signed into law the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act). From the provisions under the CARES Act the Organization received a loan in the amount of approximately \$1,935,000 pursuant to the Paycheck Protection Program. The Organization anticipates using all of the proceeds to make eligible payments and, therefore, expects substantially all of the loan will be forgiven. The CARES Act also contained supplemental funding for community health centers and health care organizations under the Provider Relief Fund. The Organization has received approximately \$915,000 of additional HRSA funds and approximately \$722,000 of Provider Relief Funding.

As a result of the impact of COVID-19, the Organization has provided significant resources preparing and responding to community needs. Changes in patient volumes and reimbursement resources are actively being monitored by the Organization. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

Supplementary Information

**Northwest Colorado Visiting Nurse Association
d/b/a Northwest Colorado Health and Affiliate**
Consolidating Balance Sheet Information
December 31, 2019

Assets

	Northwest Colorado VNA	The Haven	Eliminating Entry	Total
Current Assets				
Cash and cash equivalents	\$ 1,359,184	\$ 41,809	\$ -	\$ 1,400,993
Patient accounts receivable	751,846	8,459	-	760,305
Estimated amounts due from third-party payers	30,904	-	-	30,904
Due from agencies	771,504	-	-	771,504
Prepaid expenses and other assets	<u>324,442</u>	<u>6,634</u>	<u>(3,109)</u>	<u>327,967</u>
Total current assets	<u>3,237,880</u>	<u>56,902</u>	<u>(3,109)</u>	<u>3,291,673</u>
Deposits	<u>26,279</u>	<u>-</u>	<u>-</u>	<u>26,279</u>
Beneficial Interest in Assets Held by Yampa Valley Community Foundation	<u>106,458</u>	<u>47,488</u>	<u>-</u>	<u>153,946</u>
Property and Equipment, at Cost				
Land	1,055,617	118,200	-	1,173,817
Buildings and building improvements	6,791,394	2,126,008	-	8,917,402
Furniture, equipment and vehicles	640,489	71,738	-	712,227
Construction in progress	<u>149,759</u>	<u>-</u>	<u>-</u>	<u>149,759</u>
	8,637,259	2,315,946	-	10,953,205
Less accumulated depreciation	<u>2,739,664</u>	<u>1,066,379</u>	<u>-</u>	<u>3,806,043</u>
	<u>5,897,595</u>	<u>1,249,567</u>	<u>-</u>	<u>7,147,162</u>
Total assets	<u><u>\$ 9,268,212</u></u>	<u><u>\$ 1,353,957</u></u>	<u><u>\$ (3,109)</u></u>	<u><u>\$ 10,619,060</u></u>

**Northwest Colorado Visiting Nurse Association
d/b/a Northwest Colorado Health and Affiliate**
Consolidating Balance Sheet Information (continued)
December 31, 2019

Liabilities and Net Assets

	Northwest Colorado VNA	The Haven	Eliminating Entry	Total
Current Liabilities				
Current maturities of long-term debt	\$ 68,278	\$ -	\$ -	\$ 68,278
Accounts payable	217,623	4,946	(3,109)	219,460
Accrued payroll and benefits	936,532	43,777	-	980,309
Assets held on behalf of others	177,062	-	-	177,062
	<u>1,399,495</u>	<u>48,723</u>	<u>(3,109)</u>	<u>1,445,109</u>
Long-term Debt	<u>1,797,964</u>	<u>-</u>	<u>-</u>	<u>1,797,964</u>
Total liabilities	<u>3,197,459</u>	<u>48,723</u>	<u>(3,109)</u>	<u>3,243,073</u>
Net Assets				
Without donor restrictions				
Board-designated - Special Projects Fund	106,438	-	-	106,438
Undesignated	5,220,292	1,292,734	-	6,513,026
	<u>5,326,730</u>	<u>1,292,734</u>	<u>-</u>	<u>6,619,464</u>
With donor restrictions	<u>744,023</u>	<u>12,500</u>	<u>-</u>	<u>756,523</u>
Total net assets	<u>6,070,753</u>	<u>1,305,234</u>	<u>-</u>	<u>7,375,987</u>
Total liabilities and net assets	<u>\$ 9,268,212</u>	<u>\$ 1,353,957</u>	<u>\$ (3,109)</u>	<u>\$ 10,619,060</u>

Northwest Colorado Visiting Nurse Association d/b/a Northwest Colorado Health and Affiliate

Consolidating Statement of Operations Information

Year Ended December 31, 2019

	Northwest Colorado VNA	The Haven	Eliminating Entry	Total
Revenues, Gains and Other Support Without Donor Restrictions				
Patient service revenue	\$ 5,853,163	\$ 623,750	\$ -	\$ 6,476,913
Agency contracts and grants	4,917,970	-	-	4,917,970
Contributions	537,273	74,801	(58,545)	553,529
Other income	50,956	13,753	(8,150)	56,559
In-kind contributions	90,070	500	-	90,570
Net assets released from restrictions used for operations	<u>1,156,724</u>	<u>-</u>	<u>-</u>	<u>1,156,724</u>
 Total revenues, gains and other support without donor restrictions	 <u>12,606,156</u>	 <u>712,804</u>	 <u>(66,695)</u>	 <u>13,252,265</u>
Expenses				
Salaries and benefits	9,405,483	568,306	-	9,973,789
Contract and professional services	869,997	19,069	(8,150)	880,916
Supplies	714,224	61,223	-	775,447
Other operating expenses	1,494,578	109,784	(58,545)	1,545,817
Depreciation and amortization	233,899	55,860	-	289,759
Interest expense	62,951	-	-	62,951
In-kind expenses	<u>90,070</u>	<u>500</u>	<u>-</u>	<u>90,570</u>
 Total expenses	 <u>12,871,202</u>	 <u>814,742</u>	 <u>(66,695)</u>	 <u>13,619,249</u>
Operating Loss	<u>(265,046)</u>	<u>(101,938)</u>	<u>-</u>	<u>(366,984)</u>
Other Income				
Change in beneficial interest in net assets held by Yampa Valley Community Foundation	17,244	7,720	-	24,964
Rental income, net of expenses	23,446	-	-	23,446
Investment income	<u>5,079</u>	<u>-</u>	<u>-</u>	<u>5,079</u>
 Total other income	 <u>45,769</u>	 <u>7,720</u>	 <u>-</u>	 <u>53,489</u>
Deficiency of Revenues Over Expenses and Decrease in Net Assets Without Donor Restrictions	<u><u>\$ (219,277)</u></u>	<u><u>\$ (94,218)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (313,495)</u></u>

**Northwest Colorado Visiting Nurse Association
d/b/a Northwest Colorado Health and Affiliate
Consolidating Statement of Changes in Net Assets Information
Year Ended December 31, 2019**

	Northwest Colorado VNA	The Haven	Eliminating Entry	Total
Net Assets Without Donor Restrictions				
Deficiency of revenues over expenses and decrease in net assets without donor restrictions	\$ (219,277)	\$ (94,218)	\$ -	\$ (313,495)
Net Assets With Donor Restrictions				
Contributions received	1,263,793	-	-	1,263,793
Net assets released from restrictions	(1,156,724)	-	-	(1,156,724)
Increase in net assets with donor restrictions	107,069	-	-	107,069
Change in Net Assets	(112,208)	(94,218)	-	(206,426)
Net Assets, Beginning of Year	6,182,961	1,399,452	-	7,582,413
Net Assets, End of Year	<u>\$ 6,070,753</u>	<u>\$ 1,305,234</u>	<u>\$ -</u>	<u>\$ 7,375,987</u>