Draft Agenda

Estes Park Health Board of Directors' Regular Meeting by GoToWebinar and In-Person

Wednesday May 29, 2024

5:30 pm - 7:30 pm

Estes Park Town Hall - Town Board Meeting Room, 170 MacGregor Ave, Estes Park CO 80517

			Regular Session	**Mins.**	**Procedure**	**Presenter(s)**
1	Call to Order and Welcome			1	**Action**	Dr David Batey
2	Approval of the Agenda			1	**Action**	EPH Board of Directors
3	Public Comments on Items Not on the Agenda			3	Information	Public
4	General Board Member Comments			3	Information	EPH Board of Directors
5	Consent Agenda Items Acceptance:			2	**Action**	EPH Board of Directors
	5.1	Board Minutes				
		5.1.1	EPH Board Regular Meeting Minutes April 24, 2024			
		5.1.2	EPH Board Executive Session Minutes April 23, 2024			
		5.1.3	EPH Board Executive Session Minutes May 07, 2024			
		5.1.4	EPH Board Executive Session Minutes May 14, 2024			
		5.1.5	EPH Board Executive Session Minutes May 21, 2024			
	5.2	**Other Documents**				
		5.2.1	Estes Park Health 2024 Nurse Staffing Plan Revision			
		5.2.2	Antimicrobial Stewardship Leadership Appointments			
6	Medical Staff Credentialing Report			0		
7	Presentations:					
	7.1	EPH CEO - Strategic Initiatives Update		15	Discussion	Mr Vern Carda
	7.2	Eide Bailly Auditors - 2023 EPH Audited Financial Statements		20	Discussion	Eide Bailly Auditors
	7.3	EPH Board Motion to Accept 2023 EPH Audited Financial Statements		2	Action	EPH Board of Directors
	7.4	EPH Chief Financial Officer - First Quarter 2024 Financial Results		15	Discussion	Ms. Aysha Douglas
	7.5	EPH Chief Nuring Officer - DNV Recertification Audit Results, 2024 Nurse Staffing Plan Revision, Antimicrobial Stewardship Leadership Appointments, Strategic Initiatives Update		20	Discussion	Ms Pat Samples
	7.6	Possible Healthcare System Affiliation - Activity Update		4	Discussion	EPH Board of Directors
8	Executive Summary - Significant Items Not Otherwise Covered			2	Discussion	Senior Leadership Team
9	All Attendee Conversation on Emerging Topics			15	Conversation	Community Attendees, EPH Board of Directors, EPH Senior Leadership Team
10	Potential Agenda Items for Wednesday June 26, 2024 Regular Board Meeting			1	Discussion	EPH Board of Directors
11	Adjournment			1	**Action**	EPH Board of Directors
			Estimated Total Regular Session Mins.	105		

Next Regular EPH Board Meeting: Wednesday June 26, 2024 5:30 - 7:30 pm

Possible Next Meeting Agenda Items

ESTES PARK
HEALTH

ESTES PARK HEALTH
BOARD OF DIRECTORS'
Regular Meeting Minutes – April 24, 2024

Board Members in Attendance

Dr. David Batey, Chair
Mr. Drew Webb, Vice Chair
Dr. Steve Alper, Finance Committee Chair
Dr. Cory Workman, Member at Large
Ms. Brigitte Foust, Board Secretary

Other Attendees

Mr. Vern Carda, CEO
Ms. Pat Samples
Ms. Shelli Lind, CHRO
Ms. Aysha Reeves (via webinar)
Ms. Rachel Ryan (via webinar)
Dr. Jennifer McLellan
Ms. Kaci Early
Mr. Kevin Mullin
Ms. Iryna Irkliienko
Ms. Wendy Rigby
Dr. Bridget Dunn
Dr. John Knudtson
Mr. Jacob Schmitz
Mr. Glen Gill

Community Attendees (present and via webinar):

Brian Tseng
David Brewer
John Cooper
Mark Richards
Larry Leaming
Max Salfinger
Jim Cozette
Gail Cozette

5.1.1

1. **Call to Order**
The board meeting was called to order at 5:31 PM by David Batey; there was a quorum present. Notice of the board meeting was posted in accordance with the Sunshine Law Regulation.

2. **Approval of the Agenda**
David Batey motioned to approve the agenda as submitted. Steve Alper seconded the motion, which carried unanimously.

3. **Public Comments on Items Not on the Agenda**
No comments.

4. **General Board Member Comments**
No comments.

5. **Consent Agenda Items Acceptance**
David Batey motioned to approve consent agenda items as listed, which carried unanimously. Second by Steve Alper.

6. **Medical Staff Credentialing Report**
Cory Workman recommended the approval of the Medical Staff Credentialing Report. Brigitte Foust seconded the motion, which carried unanimously.

7. **Presentations**
7.1 CEO Strategic Initiatives Update – Mr. Vern Carda

Strategic Planning Process

Estes Park Health hosted the DNV recertification survey April 16-18. All twelve outstanding items/deficiencies from last year were placed back into compliance. Official results will be released within ten days, and will be reported out later. This survey was a validation survey for DNV, so federal CMS employees were "surveying the surveyors." Estes Park Health is surveyed annually.

Staff are being offered the opportunity to participate in strategic planning at Estes Park Health. Step 1, which consists of defining strategic attributes, has already been accomplished. Step 2 includes conducting a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis with staff and physicians, identifying and prioritizing the main or "top ten" ideas, and then developing tactical plans to deliver over the course of 2025. The goal is for these items to be completed by mid-June; made note that the "living plan" adjusts and develops as environment or external needs dictate.

Don Shelley is planning on retiring from his role in IT at Estes Park Health, but will continue on as PRN to assist with other tasks. Additionally, Shelli Lind will be retiring in May. Both

5.1.1

employees brought great experience and benefit to the organization as a whole, and both will be missed.

7.2 EPH Chief Nursing Officer – 2024 Annual Evaluation Report of the Estes Park Health Infection Prevention Program – Ms. Pat Samples

- Confident EPH will receive ISO certification following DNV survey. This indicates that the organization has a "very solid" Quality program. Better documentation is an ongoing process.
- CMS (Center for Medicaid/Medicare and the governing body for EPH) requires EPH to have a plan every year that indicates what the organization is focused on and what is being done to address current issues in healthcare.
- In regard to the Public Health Order for congenital syphilis: what changes/what does EPH need to do? – Any pregnant woman who accesses the Urgent Care, ED, clinic, or hospital must have a syphilis test in the first and third trimester. If positive, it must be reported to the Health Department immediately, and they will then take over care for that patient.
- Will all employees be trained on Infection Prevention plan? – Yes, and it must go through Quality Management. There is also a quarterly Infection Control meeting that all leaders must attend. This will be reported out quarterly by either Pat or Quality.
- David Batey confirmed receipt of the Infection Prevention Plan.
- Mark Richards: Is there any report for inappropriate antibiotic use? – Yes, this is a requirement and this is reviewed at Antibiotic Committee.
- John Cooper: Regarding the instrument sterilization problem that has been going on for quite some time – has this been solved/settled? Does the public know about it? – Two months ago, a sterilization process issue was identified that could be done differently/better. Reverse osmosis hot/cold water needed to be brought down into the sinks on both sides of SPD, as opposed to only one. New sinks that went from dirty to clean were purchased as well, and these were custom made. EPH needs to be mindful of the equipment that is purchased, due to being landlocked.
- To ensure safety, and operate within caution, ophthalmology surgeries have been paused to ensure that the instrumentation matched the newer requirements. New technology/equipment in an older building poses a challenge. There was no sterilization issue; "the legacy process was moved into a better process."
- Home Healthcare and Hospice update: Service was concluded at the end of December 2023. It is anticipated that by the end of June of this year, a new company will be taking over. Social workers at EPH receive 6-7 calls a week from community members that need help for end of life care.

7.3 EPH Chief Human Resources Officer – Updates and Strategic Initiatives – Ms. Shelli Lind

- Update on retirement plan changes: Shelli has been in touch with attorneys and is in process of pulling the plan documents. There may be a way to move forward inexpensively with Ascensus, but the process is taking time.

7.4 Possible Healthcare System Affiliation – Activity Update – Board of Directors
No updates.

8. Executive Summary – Significant Items Not Otherwise Covered
No comments.

9. All Attendee Conversation on Emerging Topics

- Floor opened at 6:31 PM.
- John Cooper: Confirmed that Med Staff Credentialing report becomes public record, then asked if resignations could be listed as active staff or courtesy.

10. Potential Agenda Items for Wednesday May 29, 2024, Regular Board Meeting
No comments.

11. Adjournment
David Batey motioned to adjourn the meeting at 6:36 PM. Drew Webb and Steve Alper seconded the motion, which carried unanimously.

David M. Batey, Chair
Estes Park Health Board of Directors

5.1.1

Draft Public Agenda

Estes Park Health Board of Directors' Executive Session - In Person and by TEAMS

Tuesday, April 23, 2024

07:30 am - 10:30 am

	Regular Session	Mins.	Procedure	Presenter(s)
1	Call to Order/Welcome (Time 07:32 am)	1	**Action**	Dr David Batey
2	Approval of the Agenda (Motion Alper 2nd Webb - Unanimous)	1	**Action**	EPH Board
3	Public Comments on Items Not on the Agenda - None	1	Information	Public
4	General Board Member Comments on Items Not on the Agenda - None	1	Information	EPH Board
5	Entertain a motion to enter Executive Session pursuant to Section 24-6-402(4)(e) C.R.S. for the purpose of determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators, with regard to Affiliation with a 3rd Party, EPH Strategic Initiatives, and the relationship with the EPH Foundation, (Motion Alper 2nd Foust - Unanimous)	175	**Action**	EPH Board
6	Adjournment (Motion Foust 2nd Webb - Unanimous Time 10:56 am)	1	**Action**	EPH Board
	Total Regular Session Mins.	**180**		

Board Members Present: Alper, Batey, Foust, Webb, Workman

5.1.2

Draft Public Agenda

Estes Park Health Board of Directors' Executive Session - In Person and by TEAMS

Tuesday, May 07, 2024

08:00 am - 10:30 am

	Regular Session	Mins.	Procedure	Presenter(s)
1	Call to Order/Welcome (Time 08:03 am)	1	**Action**	Dr David Batey
2	Approval of the Agenda (Motion Alper 2nd Webb - Unanimous)	1	**Action**	EPH Board
3	Public Comments on Items Not on the Agenda - None	1	Information	Public
4	General Board Member Comments on Items Not on the Agenda - None	1	Information	EPH Board
5	Entertain a motion to enter Executive Session pursuant to Section 24-6-402(4)(e) C.R.S. for the purpose of determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators, with regard to Affiliation with a 3rd Party, EPH Strategic Initiatives, and the relationship with the EPH Foundation, (Motion Alper 2nd Webb - Unanimous)	145	**Action**	EPH Board
6	Adjournment (Motion Alper 2nd Foust - Unanimous Time 10:29 am)	1	**Action**	EPH Board
	Total Regular Session Mins.	150		

Board Members Present: Alper, Batey, Foust, Webb, Workman

5.1.3

Draft Public Agenda

Estes Park Health Board of Directors' Executive Session - In Person and by TEAMS

Tuesday, May 14, 2024

08:00 am - 10:30 am

	Regular Session	Mins.	Procedure	Presenter(s)
1	Call to Order/Welcome (Time 08:07 am)	1	Action	Dr David Batey
2	Approval of the Agenda (Motion Alper 2nd Foust - Unanimous)	1	Action	EPH Board
3	Public Comments on Items Not on the Agenda - None	1	Information	Public
4	General Board Member Comments on Items Not on the Agenda - None	1	Information	EPH Board
5	Entertain a motion to enter Executive Session pursuant to Section 24-6-402(4)(e) C.R.S. for the purpose of determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators, with regard to Affiliation with a 3rd Party, EPH Strategic Initiatives, and the relationship with the EPH Foundation, (Motion Alper 2nd Webb - Unanimous)	145	Action	EPH Board
6	Adjournment (Motion Alper 2nd Webb - Unnimous Time 10:34 am)	1	Action	EPH Board
	Total Regular Session Mins.	150		

Board Members Present: Alper, Batey, Foust, Webb, Workman

5.1.4

Draft Public Agenda

Estes Park Health Board of Directors' Executive Session - In Person and by TEAMS
Tuesday, May 21, 2024
08:00 am - 09:45 am

	Regular Session	Mins.	Procedure	Presenter(s)
1	Call to Order/Welcome (Time 08:05 am)	1	**Action**	Dr David Batey
2	Approval of the Agenda (Motion Alper 2nd Workman - Unanimous)	1	**Action**	EPH Board
3	Public Comments on Items Not on the Agenda - None	1	Information	Public
4	General Board Member Comments on Items Not on the Agenda - None	1	Information	EPH Board
5	Entertain a motion to enter Executive Session pursuant to Section 24-6-402(4)(e) C.R.S. for the purpose of determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators, with regard to Affiliation with a 3rd Party, EPH Strategic Initiatives, Operations Quality, and the relationship with the EPH Foundation, (Motion Alper 2nd Foust - Unanimous)	100	**Action**	EPH Board
6	Adjournment (Motion Workman 2nd Alper - Unanimous Time 09:46 am)	1	**Action**	EPH Board
	Total Regular Session Mins.	**105**		

Board Members Present: Alper, Batey, Foust, Workman - Webb was unable to attend

5.1.5

Estes Park Health Nursing Staffing Plan

Date: 4/20/2024

To: CDPHE

From: Chief Nursing Officer/EPH Nursing Team

Estes Park Health (EPH) is a 23-bed critical access hospital (CAH), independent, in a small mountain town. We have an emergency department, perioperative service line, medical/surgical service line in addition to outpatient infusion/chemotherapy, all supported by nurses. We have a seasonality to our business, with June 1st through September 30th, being our peak season. We can experience up to 5 to 6 million visitors per season.

We do primary nursing at EPH, due to the inability to attract entry level positions (CNA's, PCT's, etc.) to our market. Our cost of living is very high, due to the mountain town atmosphere, and most front-line staff are unable to afford housing. Housing is a significant challenge for EPH, and to support that we have 14 call/sleep rooms as well as 4 cottages with multiple bedrooms to support staff when working up at EPH.

EPH has 24/7 house supervisor coverage for the entire hospital.

EPH has two full-time general surgeons, one and a half orthopedic surgeons, ophthalmologist, wound care, and podiatry. EPH is a trauma level IV with our own EMS system/ambulances.

Our charter for the staffing council: Our mission is to provide safe, effective, efficient, equitable, patient centered care to all our patients. In a way that promotes the health, safety, and welfare of our hospital's employees and patients. That includes guidance and a process for reducing nurse to patient assignments to align with the demand, based on patient acuity.

5.2.1

Medical/Surgical Unit:

Staff with 2 RN's 24/7
Average Nurse: patient ratio on Medical/Surgical is 1:4 days, may flex to 5 if appropriate per acuity and 1:5 on night, may flex to 6 if appropriate per acuity.
Patients that should be assessed for a lower RN: Patient ratio or the addition of another resource.

If there are greater than or equal to 8 total patients in the department, a third clinical staff member should be utilized (can be any clinical person that has been oriented to the department).
At 10-14 - a third nurse should be added based on volume or higher acuity patients.
At 15-23 - a fourth nurse and another clinical staff member should be added based on volume or higher acuity Patients.

Additional Resources:

House Supervisor
On Call Staff
Other Oriented Clinical Resource (Laboratory)
Off Duty Staff
Manager
Sr. Director

Emergency Department:

Staff with two RN's 24/7
Patients should be assessed for a lower RN: Patient ratio or the addition of another resource.

If 60% or more of the ED rooms are full, a third clinical staff member maybe utilized (can be any clinical person that has been oriented to the department).

Additional Resources:

House Supervisor
On Call Staff
Other Oriented Clinical Resource (Laboratory)
Off Duty Staff
Manger
Sr. Director

Currently working on a plan with the EPH EMS team to identify critical care paramedics to be oriented to the Emergency Department and complete all appropriate competencies to be able to support times of high census or multiple traumas. Goal for implementation 7/01/2024.

4/01/2024 added phlebotomy support to the Emergency Department to support difficult lab draws, blood culture draws and support to nursing staff during busy times.

Respiratory Therapy On-call from 7p-7a for additional staffing support to Emergency Department and Medical Surgical RN's.

Infusion/Chemotherapy:

Infusion utilizes a primary nursing model, adjusting as needed per patient's clinical need.
Chemotherapy certified nurses
Average ration 1 RN to 2-3 patients at a time infusion, 1:1 for chemo
Continue to work on increasing volume, will add third nurse role.

Additional Resources:
House Supervisors
Off Duty Staff
Other oriented clinical resource

House Supervisors:

House Supervisors are responsible for the management of resources within the hospital 24/7.
They flex staff around the building, recruit more resources, and staff in as needed to the medical surgical unit and ED

The Senior Director is the final resource called upon to assist with staffing when acuity or volume exceeds resources

Perioperative Services

5/01/2024 changed Perioperative Services staffing hours to 7am to 5pm. Significant OT by staff with 'day ending' at 1500. Adjusted to support on-call team going home earlier and non-call staff staying later.

RN's Pre-op/PACU-carry this dual role, very typical for small hospitals.

Call schedule is one Pre/PACU RN, one Surgical Tech and one Operating Room Nurse starting at 5pm until 6am/7 days a week. SPD technician is 8 hours on Saturday and 8 hours on Sunday.

- Minimum call per employee is 7 shifts a month (job Requirement).
- Bonus structure implemented for additional shifts >7 to support retention.

ESTES PARK HEALTH

555 Prospect Ave.
Estes Park, CO 80517
p: 970-586-2317
eph.org

To Whom it May Concern,

I, Vern Carda, Chief Executive Officer at Estes Park Health, with approval from the Estes Park Health Board of Directors, hereby approve the following appointments:

1. Dr. Katelyn Stephens, PharmD, Director of Pharmacy Services to the position of Chair of the Antimicrobial Stewardship Committee, and Pharmacy Leader of the same committee.
2. Dr. Juli Schneider, MD, Internal Medicine Estes Park Health Physician's Clinic to the position of Physician Leader of the Antimicrobial Stewardship Committee.

Vern Carda, CEO

23 Jan 24

Date

5.2.2

ESTES PARK HEALTH

Park Hospital District Board
29 May 2024

CREDENTIALING RECOMMENDATIONS

Credentials Committee approval:

April 24th, 2024

Present: Drs.: McLellan, Zehr, Dunn, Cory Workman, Brigitte Foust, Kate Cramer, Iryna Irkliienko

Medical Executive Committee approval:

May 1st, 2024

Initial Appointments:

Connie Wolf, MD	Courtesy, Urology
Matthew Light, MD	Courtesy, Pulmonology

Reappointments:

N/A

LOCUM TENENS Initial Appointment:

N/A

Credential By Proxy:

Aria Bagheri, MD	Telemedicine, Teleradiology
Matthew Q. Schmidt, MD	Telemedicine, Teleradiology

Resignations:

Bennet Pafford, MD 03/29/2004 Locum Internal Medicine

FPPE:

Alan D. Hunt, CRNA (05/01/2024)
Cassandra L. Bradley, CRNA (05/01/2024)

Financial Statements
December 31, 2023 and 2022

Park Hospital District dba Estes Park Health

7.2

Independent Auditor's Report 1

Financial Statements

Statements of Net Position 4
Statements of Revenues, Expenses, and Changes in Net Position 6
Statements of Cash Flows 7
Statements of Financial Position—Discretely Presented Component Unit 9
Statements of Activities and Changes in Net Assets—Discretely Presented Component Unit 10
Notes to Financial Statements 11

Required Supplementary Information

Schedule of Revenues and Expenses – Budget and Actual 28

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* 29

Independent Auditor's Report

The Board of Directors
Park Hospital District dba Estes Park Health
Estes Park, Colorado

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Park Hospital District dba Estes Park Health (Medical Center), which comprise the statements of net position as of December 31, 2023 and 2022, and the related statements of revenues, expenses, and changes in net position and statements of cash flows, and the statements of financial position and related statements of activities of its discretely presented component unit Estes Park Medical Center Foundation dba Estes Park Health Foundation, as of and for the years then ended, and the related notes to the financial statements, which collectively comprise the Medical Center's basic financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Medical Center as of December 31, 2023 and 2022, and the respective changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Adoption of New Accounting Standard

As discussed in Note 11 to the financial statements, the Medical Center has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ended December 31, 2022. Accordingly, a restatement has been made to the Medical Center's net position as of January 1, 2022 to restate beginning net position. Our opinion is not modified with respect to this matter.

Responsibilities of Management 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; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Medical Center's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Governmental Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Governmental Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Medical Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Medical Center's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budget to actual schedule on page 34 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.

Other Matters

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated <REPORT DATE> on our consideration of the Medical Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Medical Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Medical Center's internal control over financial reporting and compliance.

Denver, Colorado
<REPORT DATE>

	2023	2022 (restated)
Current Assets		
Cash and cash equivalents	$ 7,320,283	$ 2,099,242
Restricted cash	1,442,838	1,420,178
Assets held as collateral for debt agreement	1,871,328	2,100,924
Receivables		
Patient, net of estimated uncollectibles of approximately $1,442,000 in 2023 and $1,314,000 in 2022	5,717,494	5,736,603
Property taxes and other	4,573,257	3,474,403
Employee Retention Credit	1,838,087	-
Estimated third-party payor settlements	-	1,702,112
Supplies	981,457	1,462,151
Prepaid expenses	587,839	427,630
Total current assets	24,332,583	18,423,243
Noncurrent Investments		
Investments	9,880,498	13,533,434
Total noncurrent investments	9,880,498	13,533,434
Capital Assets		
Capital assets not being depreciated	518,273	556,408
Depreciable capital assets, net	27,221,472	28,536,051
Right to use subscription IT assets, net	643,046	713,258
Right to use leased assets, net	7,057,510	6,995,436
Total capital assets	35,440,301	36,801,153
Total assets	$ 69,653,382	$ 68,757,830

	2023	2022 (restated)
Liabilities, Deferred Inflows of Resources, and Net Position		
Current Liabilities		
Current maturities of long-term debt	$ 1,389,528	$ 265,178
Current maturities of leases	937,326	714,908
Current maturities of subscription IT liabilities	342,324	363,450
Accounts payable	2,387,218	2,242,293
Interest payable	149,829	-
Estimated third-party payor settlements	1,135,938	-
Accrued expenses		
Salaries, wages, and related liabilities	1,506,533	1,169,256
Compensated absences	907,863	977,104
Total current liabilities	8,756,559	5,732,189
Noncurrent Liabilities		
Long term debt, less current maturities	10,655,231	12,006,926
Leases, less current maturities	6,340,932	6,443,619
Subscription IT liabilities, less current maturities	241,825	335,332
Total noncurrent liabilities	17,237,988	18,785,877
Total Liabilities	25,994,547	24,518,066
Deferred Inflows of Resources - Property Taxes	4,419,678	3,268,042
Net Position		
Net investment in capital assets	15,533,135	16,671,740
Restricted, expendable	3,314,166	3,521,102
Unrestricted	20,391,856	20,778,880
Total net position	39,239,157	40,971,722
Total liabilities, deferred inflow of resources, and net position	$ 69,653,382	$ 68,757,830

	2023	2022 (restated)
Operating Revenues		
Net patient service revenue, net of provision for bad debts of approximately $1,602,000 in 2023 and $1,634,000 in 2022	$ 56,339,059	$ 52,506,250
Ancillary services	444,068	392,021
Total operating revenue	56,783,127	52,898,271
Operating Expenses		
Salaries and wages	26,143,877	24,594,295
Employee benefits	5,931,764	5,536,075
Professional fees and purchased services	16,080,625	19,234,470
Supplies	6,509,122	5,925,633
Utilities and rent expense	941,710	579,419
Insurance	473,920	411,562
Repairs and maintenance	328,079	297,263
Depreciation and amortization	3,843,630	4,668,845
Other	2,857,983	2,609,113
Total operating expenses	63,110,710	63,856,675
Operating Loss	(6,327,583)	(10,958,404)
Nonoperating Revenues (Expenses)		
Property tax revenues	3,442,966	3,497,779
Interest expense	(797,164)	(710,108)
Investment income (loss)	520,185	(752,167)
Loss on disposal of capital assets	(43,805)	(237)
Noncapital contributions and grants	14,206	22,190
Employee Retention Credit	1,838,087	-
Other nonoperating expenses and business interruption recovery	(590,207)	323,051
Nonoperating revenues, net	4,384,268	2,380,508
Revenues in Excess of (Less Than) Expenses Before Capital Contributions	(1,943,315)	(8,577,896)
Capital Contributions	210,750	543,108
Increase (Decrease) in Net Position	(1,732,565)	(8,034,788)
Net Position, Beginning of the Year (Restated)	40,971,722	49,006,510
Net Position, End of Year	$ 39,239,157	$ 40,971,722

	2023	2022 (restated)
Operating Activities		
Receipts from and on behalf of patients and other	$ 59,196,218	$ 50,742,840
Payments to and on behalf of employees	(31,807,605)	(30,054,625)
Payments to suppliers and contractors	(26,726,029)	(30,226,129)
Other receipts and payments	444,068	392,021
Net Cash from (used for) Operating Activities	1,106,652	(9,145,893)
Non Capital Related Financing Activities		
Property taxes supporting operations	3,442,966	3,497,779
Business Interruption Insurance Recovery	-	323,051
Noncapital grants and contributions	14,206	22,190
Net Cash from Non Capital Financing Activities	3,457,172	3,843,020
Capital and Capital Related Financing Activities		
Purchase and construction of capital assets	(1,214,046)	(2,325,121)
Proceeds from the sale of capital assets	12,017	14,500
Principal payments on debt obligations	(227,345)	(1,343,880)
Interest paid on debt obligations	(628,330)	(546,027)
Principal payments on leases	(714,908)	(707,516)
Interest paid on leases	(168,834)	(160,890)
Principal payments on subscription IT liabilities	(473,050)	(360,831)
Interest payments on subscription IT liabilities	(11,792)	(3,191)
Capital contributions	210,750	543,108
Net Cash used for Capital and Capital Related Financing Activities	(3,215,538)	(4,889,848)
Investing Activities		
Sales of investments	4,075,000	50,516
Purchases of investments	(546,097)	(165,950)
Distributions of noncurrent cash and investments	206,936	401,766
Dividend and interest income	159,576	165,950
Net Cash from Investing Activities	3,895,415	452,282
Net Change in Cash, Cash Equivalents, and Restricted Cash	5,243,701	(9,740,439)
Cash, Cash Equivalents, and Restricted Cash, Beginning of Year	3,519,420	13,259,859
Cash, Cash Equivalents, and Restricted Cash End of Year	$ 8,763,121	$ 3,519,420

	2023	2022 (restated)
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position		
Cash and cash equivalents	$ 7,320,283	$ 2,099,242
Restricted cash	1,442,838	1,420,178
Total Cash and Cash Equivalents	$ 8,763,121	$ 3,519,420
Reconciliation of Operating Income to Net Cash used for Operating Activities		
Operating Loss	$ (6,327,583)	$ (10,958,404)
Adjustments to reconcile operating income to net cash from operating activities		
Depreciation and amortization	3,843,630	4,668,845
Provision for bad debts	1,602,498	1,634,108
Changes in assets and liabilities		
Patient receivables	(1,733,218)	(609,858)
Other receivables	-	328,686
Estimated third-party payor settlements	2,838,050	(3,116,346)
Supplies	480,694	(90,459)
Prepaid expenses	(160,209)	83,467
Accounts payable	294,754	(1,161,677)
Accrued salaries, compensated absences, and other	268,036	75,745
Net Cash from (used for) Operating Activities	$ 1,106,652	$ (9,145,893)
Schedule of Non-Cash Investing, Capital and Financing Activities		
Lease liability for the acquisition of right to use leased assets	$ 834,639	$ 129,152
Lease liability for the acquisition of a SBITA leased assets	$ 358,419	$ 683,743

	2023	2022
Assets		
Current Assets		
Cash and cash equivalents	$ 610,233	$ 533,059
Promises to give	360,028	63,270
Total current assets	970,261	596,329
Other Assets		
Promises to give, less current portion	-	47,619
Property plant and equipment, net	3,664	4,228
Investments	3,844,626	3,413,043
Total other assets	3,848,290	3,464,890
Total assets	$ 4,818,551	$ 4,061,219
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	$ 86,110	$ 93,940
Total current liabilities	86,110	93,940
Net Position		
Unrestricted	1,545,314	1,439,162
Restricted, expendable	3,187,127	2,528,117
Total net position	4,732,441	3,967,279
Total liabilities and net position	$ 4,818,551	$ 4,061,219

	2023	2022
Revenues and Other Support Without Donor Restrictions		
Contributions	$ 138,370	$ 144,600
Net investment (loss) return	322,700	(396,865)
Net assets released from restrictions	267,514	587,432
Total Revenue and Gains	728,584	335,167
Expenses		
Grants and Contributions to Estes Park Heath	249,243	587,432
Salaries and benefits	298,539	277,382
Advertising and marketing	23,250	27,537
Professional fees	17,571	20,883
Office and other	33,830	24,866
Total Expenses	622,433	938,100
Change in Unrestricted Net Position	106,151	(602,933)
Restricted Net Position		
Contributions	588,479	405,914
Contributions restricted to endowment	-	10,500
Restricted investment (loss) return	338,045	(319,774)
Net position released from restrictions	(267,514)	(587,432)
Change in Restricted Net Position	659,010	(490,792)
Change in Net Position	765,161	(1,093,725)
Net Position, Beginning of the year	3,967,279	5,061,004
Net Position, End of Year	$ 4,732,440	$ 3,967,279

Note 1 - Reporting Entity and Summary of Significant Accounting Policies

The financial statements of the Park Hospital District dba Estes Park Health (Medical Center) have been prepared in accordance with generally accepted accounting principles in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting and reporting policies and practices used by the Medical Center are described below.

Reporting Entity

The Medical Center operates a 23-bed critical access hospital (Hospital) and the Family Medical Center (Clinic), located in Estes Park, Colorado. The Medical Center is organized as a political subdivision of the State of Colorado and has been recognized by the Internal Revenue Service as exempt from federal income taxes under Internal Revenue Code Section 501(a). The Medical Center is governed by a Board of Directors consisting of five members elected by the residents of Park Hospital District. The Medical Center is not a component unit of another governmental entity.

For financial reporting purposes, the Medical Center has included all funds, organizations, agencies, boards, commissions, and authorities. The Medical Center has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the Medical Center are such that the exclusion would cause the Medical Center's financial situation to be misleading or incomplete. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the Medical Center to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the Medical Center.

Discretely Presented Component Unit

The Estes Park Medical Center Foundation (Foundation) is a 501(c)(3) organization whose sole purpose is to support the Medical Center. The Foundation conducts fundraising campaigns on behalf of the Medical Center. In accordance with Governmental Accounting Standards Board Statement No. 61, *The Financial Reporting Entity: Omnibus*, the Foundation has been determined to be a component unit and is presented as a discretely presented component unit in the Medical Center's financial statements. Complete financial statements of the Foundation may be obtained by contacting the Foundation's Executive Office.

Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Revenues are recognized when earned, and expenses are recorded when the liability is incurred.

Basis of Presentation

The statement of net position displays the Medical Center's assets, deferred outflows, liabilities, and deferred inflows, with the difference reported as net position. Net position is reported in the following components:

Net investment in capital assets consists of net capital assets and net leased assets reduced by the outstanding balances of any related debt obligations, lease liabilities, and deferred inflows or resources attributable to the acquisition, construction or improvement of those assets or related debt obligations and increased by balances of deferred outflows of resources related to those assets or debt obligations.

Restricted net position:

Expendable – Expendable net position results when constraints placed on net position use are either externally imposed or imposed through enabling legislation.

Nonexpendable – Nonexpendable net position is subject to externally imposed stipulations which require them to be maintained permanently by the Medical Center.

Unrestricted net position consists of net position not meeting the definition of the preceding categories. Unrestricted net position often has constraints on resources imposed by management, which can be removed or modified.

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Medical Center's policy is to first apply the expense toward the most restrictive resources and then toward unrestricted resources.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with an original maturity of three months or less, excluding internally designated or restricted cash and investments. For purposes of the statement of cash flows, the Medical Center's considers all cash and investments with an original maturity of three months or less as cash and cash equivalents.

Patient Receivables, Net

Patient receivables are uncollateralized patient and third-party payor obligations. Payments of patient receivables are allocated to the specific claims identified in the remittance advice or, if unspecified, are applied to the earliest unpaid claim.

The carrying amount of patient receivables is reduced by a valuation allowance that reflects management's estimate of amounts that will not be collected from patients and third-party payors.
Management reviews patient receivables by payor class and applies percentages to determine estimated amounts that will not be collected from third parties under contractual agreements and amounts that will not be collected from patients due to bad debts. Management considers historical write off and recovery information in determining the estimated bad debt provision.

Property Tax Receivable and Revenues

Property tax receivable represents taxes certified by the County Commissioners of Larimer County to be collected in the next fiscal year. Taxes are assessed on January 1 and are due in one installment on April 30 or in two installments on February 28 and June 15 of each year. Revenue from property taxes is recognized in the year for which the taxes are levied.

Supplies

Supplies are stated at lower of cost (first-in, first-out) or market and are expensed when used.

Noncurrent Investments

Noncurrent cash and investments includes unrestricted and undesignated investments, internally designated investments which are set aside by the Board of Directors for future capital improvements and debt retirement, over which the Board retains control and may at its discretion subsequently use for other purposes, and cash and investments restricted by donors. Investments are measured at fair value.

Investment Income

Interest, dividends, gains and losses, both realized and unrealized, on investments and deposits are included in nonoperating revenues when earned.

Capital Assets

Property and equipment acquisitions in excess of $5,000 are capitalized and recorded at cost. Depreciation is provided over the estimated useful life of each depreciable asset and is computed using the straight-line method. Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Amortization is included in the depreciation and amortization in the financial statements. The estimated useful lives of capital assets are as follows:

Land improvements	8-40 years
Buildings and improvements	5-40 years
Equipment	3-25 years

Gifts of long-lived assets such as land, buildings, or equipment are reported as additions to unrestricted net position and are excluded from revenues in excess of expenses. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted net position.

Right to use Leased Assets

Right to use leased assets are recognized at the lease commencement date and represent the Medical Center's right to use an underlying asset for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method.

Right to use Subscription- IT Assets

Right to use subscription IT assets are recognized at the subscription commencement date and represent the Medical Center's right to use the underlying IT asset for the subscription term. Right to use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right to use subscription assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method. Amortization is included in depreciation and amortization in the financial statements. The amortization period varies from 2 to 5 years.

Impairment of Long-Lived Assets

The Medical Center considers whether indicators of impairment are present and performs the necessary analysis to determine if the carrying value of assets is appropriate. No impairment was identified for the years ended December 31, 2023 and 2022.

Compensated Absences

The Medical Center's employees earn paid time-off (PTO) days for vacation and sick leave at varying rates depending on years of service. Employees may accumulate PTO up to a specified maximum. Employees are paid for accumulated PTO upon termination.

Estimated Health Claims Payable

The Medical Center provides for self-insurance reserves for estimated incurred but not reported claims for its employee health plan. These reserves, which are included in current liabilities on the statement of net position, are estimated based upon historical submission and payment data, cost trends, utilization history, and other relevant factors. Adjustments to reserves are reflected in the operating results in the period in which the change in estimate is identified.

Deferred Inflows of Resources

Deferred inflows of resources represent an increase in net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. The deferred inflow of resources reported in the financial statements are unavailable property taxes. The property taxes will be recognized as revenue in the year in which the taxes are levied and become available.

Operating Revenues and Expenses

The Medical Center's statement of revenues, expenses, and changes in net position distinguishes between operating and nonoperating revenues and expenses. Operating revenues and expenses of the Medical Center result from exchange transactions associated with providing health care services - the Medical Center's principal activity, and the costs of providing those services, including depreciation and amortization and excluding interest cost. All other revenues and expenses are reported as nonoperating.

Net Patient Service Revenue

The Medical Center has agreements with third-party payors that provide for payments to the Medical Center at amounts different from its established rates. Payment arrangements include prospectively determined rates, reimbursed costs, discounted charges, and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Colorado Healthcare Affordability and Sustainability Enterprise

The Medical Center participates in the Colorado Healthcare Affordability and Sustainability Enterprise (CHASE), approved by the Centers for Medicare and Medicaid Services (CMS), under which all hospitals in the state are assessed a fee based on bed size and payor mix. The State of Colorado uses the fees to supplement state budget funds for the Medicaid program, which brings matching federal monies into the program, enabling the State of Colorado to fund Medicaid payments to hospitals at a higher rate than would otherwise be possible. The Medical Center paid approximately $1,335,000 and $1,258,000 in CHASE fees for the years ended December 31, 2023 and 2022, which were recorded in operating expenses. The Medical Center received approximately $4,735,000 and $4,909,000 of supplemental payments for the years ended December 31, 2023 and 2022, which are recorded as part of net patient service revenue.

Grants and Contributions

The Medical Center may receive grants as well as contributions from individuals and private organizations. Revenues from grants and contributions (including contributions of capital assets) are recognized when all eligibility requirements, including time requirements are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenues. Amounts restricted to capital acquisitions are reported after expenses in excess of revenues.

Budgets

The Medical Center adopts an annual budget in accordance with Colorado Statutes. The budgeted revenue and expenditures are used by management as a control device during the year. Budgets are adopted on a basis that is consistent with generally accepted accounting principles.

Implementation of GASB Statement No. 96

As of January 1, 2022, the Medical Center adopted GASB Statement No.96, *Subscription-Based Information Technology Arrangements (SBITAs)*. The implementation of this standard holds that a SBITA results in a right to use subscription IT asset – an intangible asset – and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract. The effect of the implementation of this standard on beginning net position is disclosed in Note 11.

Note 2 - Net Patient Service Revenue

The Medical Center has agreements with third-party payors that provide for payments to the Medical Center at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

Critical Access Hospital

Medicare – The Medical Center is licensed as a Critical Access Hospital (CAH). The Medical Center is reimbursed for most acute care services under a cost reimbursement methodology with final settlement determined after submission of annual cost reports by the Medical Center and are subject to audits thereof by the Medicare Administrative Contractor (MAC). The Medical Center's Medicare cost reports have been audited by the MAC through the year ended December 31, 2020. Clinical services are paid on a cost basis or fixed fee schedule.

Medicaid – Inpatient services and outpatient services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors.

Commercial—The Medical Center has also entered into payment agreements with certain commercial insurance carriers and other organizations. The basis for payment to the Medical Center under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

Concentration of gross revenues by major payor accounted for the following percentages of the Medical Center's patient service revenues for the years ended December 31, 2023 and 2022:

	2023	2022
Medicare	36%	35%
Medicaid	13%	14%
Other third-party payors	49%	49%
Self pay	2%	2%
	100%	100%

Laws and regulations governing the Medicare, Medicaid, and other programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

Note 3 - Deposits and Investments

The carrying amounts of deposits and investments as of December 31, 2023 and 2022 are as follows:

	2023	2022
Carrying amount		
Cash and deposits	$ 10,634,449	$ 5,620,344
Noncurrent investments	9,880,498	13,533,434
Total	$ 20,514,947	$ 19,153,778

Deposits and investments are reported in the following statement of net position captions:

	2023	2022
Included in the following statement of financial position captions		
Cash and cash equivalents	$ 7,320,283	$ 2,099,242
Restricted cash	1,442,838	1,420,178
Assets held as collateral for debt agreement	1,871,328	2,100,924
Noncurrent investments	9,880,498	13,533,434
	$ 20,514,947	$ 19,153,778

Deposits – Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure or investment company failure, the Medical Center's deposits may not be returned to it. 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 regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The Medical Center's deposit policy for custodial credit risk requires compliance with the provisions of state law.

PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2023 and 2022, the Medical Center's deposits in banks were entirely covered by federal depository insurance and PDPA.

Investments

The Medical Center's long-term investments are reported at fair value. At December 31, 2023 and 2022, the Medical Center's investments consisted of the following:

Investment Type	Amount	Rating	Investment Maturities (in Years) Less Than 1	1 - 5	6 - 10
Municipal Bonds	$ 396,648	AAA	$ -	$ 396,648	$ -
Government Securities	9,483,850	AA- to AA+	-	9,483,850	-
Corporate Bonds	-	AA- to AA+	-	-	-
	$ 9,880,498		$ -	$ 9,880,498	$ -

Investment Type	Amount	Rating	Investment Maturities (in Years) Less Than 1	1 - 5	6 - 10
Municipal Bonds	$ 394,440	AAA	$ -	$ 394,440	$ -
Government Securities	12,441,990	AA- to AA+	3,194,413	9,247,577	-
Corporate Bonds	697,004	AA- to AA+	697,004	-	-
	$ 13,533,434		$ 3,891,417	$ 9,642,017	$ -

The Medical Center uses fair value to measure investments. Government securities and corporate bonds are considered Level 2 measurements, which utilize inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These measurements include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Medical Center's investment policy does not contain a provision that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

State Statutes limit the investment in bonds, debentures or notes of any corporation to be rated "A" or higher by nationally recognized statistical rating organizations. As of December 31, 2023 and 2022, the Medical Center was compliant with State Statutes with regard to credit risk. The Medical Center has no investment policy that would further limit its investment options.

Note 4 - Capital Assets

Capital asset additions, transfers, retirements, and balances for the year ended December 31, 2023 are as follows:

	Balance, December 31, 2022 (Restated)	Additions	Transfers and Disposals	Balance, December 31, 2023
Capital assets not being depreciated				
Land	$ 513,973	$ -	$ -	$ 513,973
Construction in progress	42,435	1,214,046	(1,252,181)	4,300
Total capital assets not being depreciated	556,408	1,214,046	(1,252,181)	518,273
Capital assets being depreciated				
Land improvements	842,885	-	-	842,885
Building	43,165,460	-	126,441	43,291,901
Equipment and vehicles	12,725,135	-	507,199	13,232,334
Total capital assets being depreciated	56,733,480	-	633,640	57,367,120
Accumulated depreciation				
Land improvements	(507,674)	(52,963)	-	(560,637)
Building	(18,851,499)	(1,397,912)	-	(20,249,411)
Equipment and vehicles	(8,838,256)	(1,062,134)	564,790	(9,335,600)
Total accumulated depreciation	(28,197,429)	$ (2,513,009)	$ 564,790	(30,145,648)
Net depreciable capital assets	$ 28,536,051			$ 27,221,472
Right to use leased assets being amortized				
Building	$ 6,843,826	$ -	$ -	$ 6,843,826
Equipment	2,183,868	953,974	(304,479)	2,833,363
Total right to use leased assets being amortized	9,027,694	953,974	(304,479)	9,677,189
Accumulated amortization				
Building	(883,993)	(342,191)	-	(1,226,184)
Equipment	(1,148,265)	(540,870)	295,640	(1,393,495)
Total accumulated amortization	(2,032,258)	$ (883,061)	$ 295,640	(2,619,679)
Net right to use leased assets	$ 6,995,436			$ 7,057,510
Right to use subscription IT assets	$ 1,239,914	$ 370,636	$ (252,528)	$ 1,358,022
Less accumulated amortization	(526,656)	(440,848)	252,528	(714,976)
Net right to use subscripiton IT assets	$ 713,258	$ (70,212)	$ -	$ 643,046
Capital assets, net	$ 36,801,153			$ 35,440,301

Capital asset additions, transfers, retirements, and balances for the year ended December 31, 2022, as restated, are as follows:

	Balance, December 31, 2021 (Restated)	Additions	Transfers and Disposals	Balance, December 31, 2022 (Restated)
Capital assets not being depreciated				
Land	$ 513,973	$ -	$ -	$ 513,973
Construction in progress	736,689	2,557,495	(3,251,749)	42,435
Total capital assets not being depreciated	1,250,662	2,557,495	(3,251,749)	556,408
Capital assets being depreciated				
Land improvements	845,185	-	(2,300)	842,885
Building	42,273,941	-	891,519	43,165,460
Equipment and vehicles	11,808,442	-	916,693	12,725,135
Total capital assets being depreciated	54,927,568	-	1,805,912	56,733,480
Accumulated depreciation				
Land improvements	(720,139)	(37,535)	250,000	(507,674)
Building	(17,483,471)	(1,368,028)	-	(18,851,499)
Equipment and vehicles	(8,009,824)	(2,007,036)	1,178,604	(8,838,256)
Total accumulated depreciation	(26,213,434)	$ (3,412,599)	$ 1,428,604	(28,197,429)
Net depreciable capital assets	$ 28,714,134			$ 28,536,051
Right to use leased assets being amortized				
Building	$ 7,119,562	$ -	$ (275,736)	$ 6,843,826
Equipment	2,685,489	129,152	(630,773)	2,183,868
Total right to use leased assets being amortized	9,805,051	129,152	(906,509)	9,027,694
Accumulated amortization				
Building	(787,106)	(372,623)	275,736	(883,993)
Equipment	(1,256,971)	(522,067)	630,773	(1,148,265)
Total accumulated amortization	(2,044,077)	$ (894,690)	$ 906,509	(2,032,258)
Net right to use leased assets	$ 7,760,974			$ 6,995,436
Right to use subscription IT assets	$ 678,958	$ 683,743	$ (122,787)	$ 1,239,914
Less accumulated amortization	(288,612)	(360,831)	122,787	(526,656)
Net right to use subscripiton IT assets	390,346	$ 322,912	$ -	713,258
Capital assets, net	$ 38,116,116			$ 36,801,153

Note 5 - Lease Obligations

The Medical Center entered into various agreements to buildings and medical equipment. The leases terminate at various dates through May 2040. Under the terms of the lease agreements, the Medical Center pays monthly base rents ranging from $123 to $35,665.

During the years ended December 31, 2023 and 2022, the Medical Center recorded approximately $883,000 and $895,000, respectively, in amortization expense and approximately $169,000 and $161,000, respectively, in interest expense related to the leases. When there is no interest rate explicitly stated in the lease agreement, the Medical Center used a discount rate of 0.50% based on its incremental borrowing rate.

Remaining principal and interest payments on leases are as follows:

Years Ending December 31,	Principal	Interest
2024	$ 937,326	$ 187,069
2025	715,030	165,020
2026	490,929	146,056
2027	472,677	130,193
2028	424,725	114,586
2029-2033	1,835,562	408,142
2034-2038	1,951,881	188,019
2039-2043	450,128	10,511
	$ 7,278,258	$ 1,349,596

Note 6 - Long-Term Debt

A schedule of changes in the Medical Center's long-term debt for 2023 and 2022 is as follows:

	Balance, December 31, 2022	Additions	Reductions or Payments	Balance, December 31, 2023	Due Within One Year
Promissory Notes, Series 2016	$ 10,170,000	$ -	$ -	$ 10,170,000	$ 1,140,000
2020 Promissory Note	2,102,104	-	(227,345)	1,874,759	249,528
Leases	7,158,527	954,370	(834,639)	7,278,258	937,326
	$ 19,430,631	$ -	$ (1,061,984)	$ 19,323,017	$ 2,326,854

	Balance, December 31, 2021	Additions	Reductions or Payments	Balance, December 31, 2022	Due Within One Year
Promissory Notes, Series 2016	$ 11,295,000	$ -	$ (1,125,000)	$ 10,170,000	$ -
2020 Promissory Note	2,320,984	-	(218,880)	2,102,104	265,178
Leases	7,866,043	138,760	(846,276)	7,158,527	714,908
	$ 21,482,027	$ 138,760	$ (2,190,156)	$ 19,430,631	$ 980,086

Promissory Notes, Series 2016

During 2016, the Medical Center refinanced its Limited Tax-Revenue Bonds Series 2006 (Bonds) with Promissory Notes, Series 2016 (Notes). The Notes bear interest of 1.85% and 2.90% with the interest being paid semiannually on each January 1 and July 1 and principal being due in varying annual installments through December 31, 2031. The Notes are secured by the Medical Center's pledged revenues.

2020 Promissory Note

The Medical Center has a note payable with a financial institution for $2,500,000, the proceeds of which were used to fund the construction of the Urgent Care Clinic buildout. Beginning April 30, 2021, monthly payments of $22,361 are due through maturity of March 30, 2031. Interest accrues at the Bank of Colorado Estes Park 12-month Public Funds Certificate of Deposit Rate plus 1% (2.00% and 1.01% as of December 31, 2023 and 2022, respectively). The promissory note is secured by a certificate of deposit held by the financial institution.

Restrictive Covenants

Under the terms of the 2016 and 2020 promissory notes, the Medical Center is required to maintain certain deposits with the lenders. Such deposits are included in restricted cash under debt agreement on the statement of net position. The promissory note agreements also require the Medical Center satisfy certain financial and nonfinancial covenants.

Scheduled debt service requirements for the Medical Center's long-term debt are as follows:

	Long-Term Debt		
Year Ending December 31,	Principal	Interest	Total
2024	$ 1,389,528	$ 318,103	$ 1,707,631
2025	1,406,839	279,672	1,686,511
2026	1,446,519	239,933	1,686,452
2027	1,491,293	198,999	1,690,292
2028	1,531,163	157,196	1,688,359
2029-2031	4,779,417	204,890	4,984,307
	$ 12,044,759	$ 1,398,793	$ 13,443,552

Note 7 - Subscription-Based Information Technology Arrangements (SBITAs)

The Medical Center has entered into various SBITA contracts, primarily for electronic health record and general ledger software subscriptions, as well as other minor software subscriptions. The Medical Center utilized incremental borrowing rates ranging from 0.71% to 4.63%, consistent with similar borrowing arrangements. The Medical Center is required make various yearly or monthly principal and interest payments through February 2027.

A summary of the changes in subscription IT liabilities during the years ended December 31, 2023 and 2022 follows:

	(Restated) January 1, 2023 Balance	Additions	Deductions	December 31, 2023 Balance	Amounts Due Within One Year
Subscription IT liabilities	$ 698,782	$ 358,419	$ (473,052)	$ 584,149	$ 342,324

	(Restated) January 1, 2022 Balance	Additions	Deductions	December 31, 2022 Balance	Amounts Due Within One Year
Subscription IT liabilities	$ 375,870	$ 683,743	$ (360,831)	$ 698,782	$ 363,450

Remaining principal and interest payments on subscriptions are as follows:

Years Ending December 31,	Principal	Interest	Total
2024	$ 342,324	$ 19,639	$ 361,963
2025	142,724	8,705	151,429
2026	65,327	3,337	68,664
2027	33,774	1,344	35,118
	$ 584,149	$ 33,025	$ 617,174

Note 8 - Pension Plan

The Medical Center has a defined contribution plan covering substantially all employees who meet age and hour requirements. Employer contributions to the plan are based on a percentage of eligible employee compensation for plan participants. Total pension expense for the years ended December 31, 2023, 2022, and 2021 was approximately $1,620,000, $1,450,000 and $1,380,000, respectively.

Note 9 - Concentrations

The Medical Center grants credit without collateral to its patients, most of whom are insured under third-party payor agreements. The mix of receivables from third-party payors and patients, at December 31, 2023 and 2022 was as follows:

	2023	2022
Medicare	48%	45%
Medicaid	4%	9%
Other third-party payors	26%	30%
Self pay	22%	16%
	100%	100%

Note 10 - Contingencies

Risk Management

The Medical Center is exposed to various risks of loss from torts; theft or damage of assets; business interruptions; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental, and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than employee health claims. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

Malpractice Insurance

The Medical Center has malpractice insurance coverage to provide protection for professional liability losses on a claims-made basis subject to a limit of $1 million per claim and an annual aggregate limit of $3 million. Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, would be uninsured.

Litigation, Claims, and Disputes

The Medical Center is subject to the usual contingencies in the normal course of operations relating to the performance of its tasks under its various programs. In the opinion of management, the ultimate settlement of any litigation, claims, and disputes in process will not be material to the financial position, operations, or cash flows of the Medical Center.

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations, specifically those relating to the Medicare and Medicaid programs, can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. Federal government activity with respect to investigations and allegations concerning possible violations by health care providers of regulations could result in the imposition of significant fines and penalties, as well as significant repayments of previously billed and collected revenues from patient and resident services.

Self-Funded Health Plan

The Medical Center is self-funded for health benefits for eligible employees and their dependents. The Medical Center, in connection with this plan, recognizes health benefit expenses on an accrual basis. An accrued liability is recorded at year-end, which estimates the incurred but not reported claims that will be paid by the Medical Center. The Medical Center has stop loss insurance to cover catastrophic claims in excess of $75,000 per claim and an annual aggregate limit of $4,438,841 for the plan year ended December 31, 2023.

The Medical Center expenses amounts representing the employer's portion of actual claims paid, adjusted for the estimates of liabilities relating to claims resulted from services provided prior to the fiscal year end not to exceed the annual aggregate expense. The estimated liability is included in accrued expenses in the financial statements. These amounts have been estimated based on historical trends and actuarial analysis.

Changes in the balance of claims liabilities during the years ended December 31, 2023 and 2022 are as follows:

Year	Beginning Liability	Current Year Claims and Changes in Estimates	Claim Payments	Ending Liability
2023	$ 445,841	$ 3,096,409	$ (3,042,250)	$ 500,000
2022	376,449	3,650,968	(3,581,576)	445,841

Paycheck Protection Program (PPP) Loan Review

The Medical Center applied for and received loan forgiveness from the SBA on its PPP loan in 2021. In accordance PPP loan requirements, the Medical Center is required to maintain PPP loan files and certain underlying supporting documents for periods ranging from three to six years. The Medical Center is also required to permit access to such files upon request by the SBA. Accordingly, there is potential the PPP loan could be subject to further review by the SBA and that previously recognized forgiveness could be reversed based on this review.

Employee Retention Credit

The Medical Center's credit filings remain open for potential examination by the Internal Revenue Service through the statute of limitations, which has varying expiration dates extending through 2027. Any disallowed claims resulting from such examinations could be subject to repayment to the federal government.

Note 11 - Adoption of New Accounting Standard

As of January 1, 2022, the Medical Center adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA). The implementation of this standard establishes that a SBITA results in a right-to-use subscription assets – an intangible asset – and a corresponding liability. The standard provides the capitalization criteria for outlays other subscription payments, including implementation costs of a SBITA. The statement requires recognition of certain SBITA assets and liabilities for SBITAs that were previously classified as outflows of resources based on the payment provisions of the contract. Beginning net position was restated to retroactively adopt the provisions of GASB Statement No. 96 as follows:

Beginning Net Position Impact	
Net position at December 31, 2021, as previously reported	$ 48,992,034
Recognition of right to use subscription IT assets, at January 1, 2022	390,346
Recognition of subscription IT liabilities, at January 1, 2022	(375,870)
Net position at January 1, 2022 as restated	$ 49,006,510

In addition, the adoption of the standard impacted the Medical Center's statement of revenue, expenses, and changes in net position for the year ended December 31, 2022 as follows:

	As Previously Reported	Adjustment	As Restated
Statement of Net Position			
Capital Assets			
Right to use subscription IT assets, net of accumulated amortization	$ -	$ 713,258	$ 713,258
Total capital assets	36,087,895	713,258	36,801,153
Total assets	68,044,572	713,258	68,757,830
Current Liabilities			
Current maturities of subscription IT liabilities	-	363,450	363,450
Total current liabilities	5,368,739	363,450	5,732,189
Noncurrent Liabilities			
Subscription IT liabilities, less current maturities	-	335,332	335,332
Total noncurrent liabilities	18,450,545	335,332	18,785,877
Total Liabilities	23,819,284	698,782	24,518,066
Net Position			
Net investment in capital assets	16,657,264	14,476	16,671,740
Total net position	40,957,246	14,476	40,971,722
Total liabilities, deferred inflow of resources, and net position	68,044,572	713,258	68,757,830
Statement of Revenues, Expenses, and Changes in Net Position			
Operating Expenses			
Utilities and rent expense	940,250	(360,831)	579,419
Depreciation and amortization	4,308,014	360,831	4,668,845
Other	2,612,304	(3,191)	2,609,113
Total operating expenses	63,859,866	(3,191)	63,856,675
Operating Loss	(10,961,595)	3,191	(10,958,404)
Nonoperating Revenues (Expenses)			
Interest expense	(706,917)	(3,191)	(710,108)
Nonoperating revenues, net	2,383,699	(3,191)	2,380,508
Net Position, Beginning of the Year (Restated)	48,992,034	14,476	49,006,510
Net Position, End of Year	40,957,246	14,476	40,971,722
Statement of Cash Flows			
Operating Activities			
Payments to suppliers and contractors	(30,590,151)	364,022	(30,226,129)
Net Cash used for Operating Activities			
Capital and Capital Related Financing Activities			
Principal payments on subscription IT liabilities	-	(360,831)	(360,831)
Interest payments on subscription IT liabilities	-	(3,191)	(3,191)
Net Cash used for Capital and Capital Related Financing Activities	(4,525,826)	(364,022)	(4,889,848)

Required Supplementary Information
December 31, 2023

Park Hospital District dba Estes Park Health

	Budget	Actual	Variance Favorable/ (Unfavorable)
Operating Revenue			
Net patient service revenue	$ 59,525,038	$ 56,339,059	$ (3,185,979)
Other revenue	374,600	444,068	69,468
Total operating revenue	59,899,638	56,783,127	(3,116,511)
Nonoperating Revenues (Expense)			
Property tax revenues	3,499,186	3,442,966	(56,220)
Interest expense	(600,000)	(797,164)	(197,164)
Capital contributions	300,000	210,750	(89,250)
Noncapital contributions and grants	30,000	14,206	(15,794)
Loss on disposal of capital assets	-	(43,805)	(43,805)
Investment income (loss)	108,500	520,185	411,685
Employee Retention Credit	1,800,000	1,838,087	38,087
Other nonoperating expenses and business interruption recovery	-	(590,207)	(590,207)
Total nonoperating revenue (expense), net	5,137,686	4,595,018	(542,668)
Total revenues	$ 65,037,324	$ 61,378,145	$ (3,659,179)
Expenses			
Salaries, wages, and employee benefits	$ 35,413,058	$ 32,075,641	$ 3,337,417
Supplies and other	11,532,953	11,110,814	422,139
Professional fees and purchased services	13,559,619	16,080,625	(2,521,006)
Depreciation and amortization	3,296,678	3,843,630	(546,952)
Total expenses	63,802,308	63,110,710	691,598
Debt Retirement			
Principal paid	265,178	227,345	37,833
Total expenditures	$ 64,067,486	$ 63,338,055	$ 729,431

Notes to Schedule:

1. Annual budgets are adopted as required by Colorado Statute. Formal budgetary integration is employed as a management control device during the year. Budgets are adopted on a basis that is consistent with generally accepted accounting principles.

2. Appropriations are adopted by resolutions in total. For the year ended December 31, 2023, there were no additional resolutions for supplementary budget and appropriation.

3. Management believes that the Medical Center is compliant with the rules of Colorado's Taxpayer's Bill of Rights (TABOR).

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*

The Board of Directors
Park Hospital District dba Estes Park Health
Estes Park, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Park Hospital District dba Estes Park Health (the Medical Center) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Park Hospital District dba Estes Park Health's basic financial statements and the statements of financial position and related statements of activities of its discretely presented component unit, the Estes Park Medical Center Foundation dba Estes Park Health Foundation, and have issued our report thereon dated <REPORT DATE>.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Medical Center'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 the Medical Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Medical Center'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Medical Center'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Denver, Colorado
<REPORT DATE>

Financial Statement Findings

None reported.

Quarterly Financials
05/29/2024

7.4.1

Overview

- 1st Quarter 2024 financials
  - On target with budget
  - Continue to focus on revenue growth and expense management

ESTES PARK HEALTH

7.4.2

Balance Sheet - Assets

Row		2024 March	2023 December			2023 March		
5		2024 March	2023 December			2023 March		
6		Actual	Actual	2024 Mar minus 2023 Dec	((2024 Mar) - (2023 Dec)) ÷ ABS(2023 Dec)	Actual	2024 Mar minus 2023 Mar	((2024 Mar) - (2023 Mar)) ÷ ABS(2023 Mar)
7	**ASSETS**							
8								
9	**CURRENT ASSETS**							
10	Cash and Cash Equivalents	5,559,968	7,320,283	(1,760,315)	(24.0%)	2,959,977	2,599,991	87.8%
11	Restricted Cash Under Debt Agreements	3,262,658	3,314,166	(51,508)	(1.6%)	3,524,611	(261,953)	(7.4%)
12	Receivables							
13	approximately $1,328,000 in 2024 and $1,442,000 in 2023	5,402,494	5,717,496	(315,002)	(5.5%)	5,071,078	331,416	6.5%
14	Property Taxes and Other	6,046,877	6,411,344	(364,467)	(5.7%)	3,040,962	3,005,915	98.8%
15	Estimated Third-Party Payor Settlements	-	-	-	no ÷ 0	1,702,112	(1,702,112)	(100.0%)
16	Supplies	983,213	981,457	1,756	0.2%	1,471,521	(488,308)	(33.2%)
17	Prepaid Expenses	524,534	587,839	(63,305)	(10.8%)	762,877	(238,343)	(31.2%)
18	**TOTAL CURRENT ASSETS** (Sum Rows 10, 11, 13, 14, 15, 16, 17)	**21,779,744**	**24,332,585**	**(2,552,841)**	(10.5%)	**18,533,138**	**3,246,606**	17.5%
19								
20	**LONG-TERM ASSETS**							
21	Investments	9,946,436	9,880,498	65,938	0.7%	10,816,364	(869,928)	(8.0%)
22	Capital Assets							
23	Capital Assets Not Being Depreciated	620,590	518,272	102,318	19.7%	535,690	84,900	15.8%
24	Depreciable Capital Assets, Net of Accumulated Depreciation	26,767,767	27,221,472	(453,705)	(1.7%)	28,125,607	(1,357,840)	(4.8%)
25	Total Capital Assets, Net	27,388,357	27,739,744	(351,387)	(1.3%)	28,661,297	(1,272,940)	(4.4%)
26	Right of Use Lease Assets, Net	6,837,016	7,057,509	(220,493)	(3.1%)	6,984,193	(147,177)	(2.1%)
27	Subscription-Based Assets, Net	635,438	635,438	-	0.0%	-	635,438	no ÷ 0
28	**TOTAL LONG-TERM ASSETS**	**44,807,247**	**45,313,189**	(505,942)	(1.1%)	**46,461,854**	(1,654,607)	(3.6%)
29								
30	**TOTAL ASSETS** (Sum Rows 18, 28)	**66,586,991**	**69,645,774**	**(3,058,783)**	**(4.4%)**	**64,994,992**	**1,591,999**	**2.4%**
31								

ESTES PARK HEALTH

7.4.3

Balance Sheet – Liabilities and Net Position

Row		2024 March	2023 December			2023 March		
5		Actual	Actual	2024 Mar minus 2023 Dec	((2024 Mar) - (2023 Dec)) ÷ ABS(2023 Dec)	Actual	2024 Mar minus 2023 Mar	((2024 Mar) - (2023 Mar)) ÷ ABS(2023 Mar)
6								
32	**LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION**							
33								
34	**CURRENT LIABILITIES**							
35	Current Portion of Long-Term Debt	246,097	1,389,528	(1,143,431)	(82.3%)	265,178	(19,081)	(7.2%)
36	Current Portion of Lease Liability	742,116	937,326	(195,210)	(20.8%)	689,233	52,883	7.7%
37	Current Portion of Subscription Liability	117,537	342,325	(224,788)	(65.7%)	-	117,537	no ÷ 0
38	Accounts Payable	1,210,900	1,564,339	(353,439)	(22.6%)	646,004	564,896	87.4%
39	Estimated Third-Party Payor Settlements	1,125,000	1,135,970			-	1,125,000	no ÷ 0
40	Deferred Revenue	-	33,223	(33,223)	(100.0%)	10,979	(10,979)	(100.0%)
41	Accrued Expenses							
42	Salaries, Wages, and Related Liabilities	1,961,964	1,506,533	455,431	30.2%	1,756,280	205,684	11.7%
43	Compensated Absences	826,196	907,863	(81,667)	(9.0%)	962,378	(136,182)	(14.2%)
44	Other	789,121	972,709	(183,588)	(18.9%)	487,319	301,802	61.9%
45	**TOTAL CURRENT LIABILITIES**	**7,018,931**	**8,789,816**	(1,770,885)	(20.1%)	**4,817,372**	2,201,559	45.7%
46								
47	**LONG-TERM LIABILITIES**							
48	Long-Term Debt, Net of Current Portion	10,598,818	10,655,231	(56,413)	(0.5%)	11,942,893	(1,344,075)	(11.3%)
49	Long-Term Lease Liability, Net of Current Portion	6,340,932	6,340,932	-	0.0%	6,432,372	(91,440)	(1.4%)
50	Long-Term Subscription Liability, Net of Current Portion	241,825	241,825	-	0.0%	-	241,825	no ÷ 0
51	**TOTAL LONG-TERM LIABILITIES**	**17,181,575**	**17,237,988**	(56,413)	(0.3%)	**18,375,265**	(1,193,690)	(6.5%)
52								
53	**TOTAL LIABILITIES** (Sum Row 45, 51)	**24,200,506**	**26,027,804**	**(1,827,298)**	**(7.0%)**	**23,192,637**	**1,007,869**	**4.3%**
54								
55	**DEFERRED INFLOWS OF RESOURCES - PROPERTY TAXES**	**4,386,455**	**4,386,455**	-	**0.0%**	**3,261,977**	**1,124,478**	**34.5%**
56								
57	**NET POSITION**							
58	Net Investment in Capital Assets	16,573,486	15,525,524	1,047,962	6.7%	16,315,814	257,672	1.6%
59	Restricted, Expendable	3,262,658	3,314,166	(51,508)	(1.6%)	3,524,611	(261,953)	(7.4%)
60	Unrestricted	18,163,886	20,391,826	(2,227,940)	(10.9%)	18,699,953	(536,067)	(2.9%)
61	**TOTAL NET POSITION**	**38,000,030**	**39,231,516**	**(1,231,486)**	**(3.1%)**	**38,540,378**	**(540,348)**	**(1.4%)**
62								
63	**TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION**	**66,586,991**	**69,645,774**	**(3,058,783)**	**(4.4%)**	**64,994,992**	**1,591,999**	**2.4%**

ESTES PARK HEALTH

7.4.4

Q1 2024 Total Operating Revenue

Row		2024 YEAR TO DATE Jan through Mar				2023 YEAR TO DATE Jan through Mar		
7		Actual (A)	Budget (B)	Actual - Budget	Percent (A-B)÷ABS(B)	2023 Actual	2024 Actual - 2023 Actual	Percent (24-23)÷ABS(23)
8	**OPERATING INCOME**							
9								
10	**OPERATING REVENUES**							
11								
12	**Charges for Patient Services**							
13	Inpatient	2,010,062	1,386,549	623,513	45.0%	1,343,010	667,052	49.7%
14	Outpatient	21,776,303	23,235,669	(1,459,366)	(6.3%)	20,248,919	1,527,384	7.5%
15	**Total Charges for Patient Services**	**23,786,365**	**24,622,218**	**(835,853)**	(3.4%)	**21,591,929**	**2,194,436**	**10.2%**
16								
17	**Deductions from Charges for Patient Services**							
18	Contracts (Medicare, Medicaid, Commercial)	(9,768,062)	(10,827,625)	1,059,563	9.8%	(9,160,835)	(607,227)	(6.6%)
19	Charity, Bad Debt, Uncompensated	(842,195)	(633,363)	(208,832)	(33.0%)	(573,410)	(268,785)	(46.9%)
20	**Total Deductions from Charges for Patient Services**	**(10,610,257)**	**(11,460,988)**	**850,731**	**7.4%**	**(9,734,245)**	**(876,012)**	**(9.0%)**
21								
22	**Net Patient Service Revenues**	**13,176,108**	**13,161,230**	**14,878**	**0.1%**	**11,857,684**	**1,318,424**	**11.1%**
23	*Net Patient Revenue/Total Charges for Patient Services as a %*	*55.4%*	*53.5%*			*54.9%*		
24								
25	**Other Operating Revenues**	**77,546**	**80,935**	**(3,389)**	(4.2%)	**48,303**	**29,243**	**60.5%**
26								
27	**Total Operating Revenues (Row 22 + Row 25)**	**13,253,654**	**13,242,165**	**11,489**	**0.1%**	**11,905,987**	**1,347,667**	**11.3%**

ESTES PARK HEALTH

7.4.5

Q1 2024 Total Operating Expenses

Row		2024 YEAR TO DATE Jan through Mar				2023 YEAR TO DATE Jan through Mar		
7		Actual (A)	Budget (B)	Actual - Budget	Percent (A-B)÷ABS(B)	2023 Actual	2024 Actual - 2023 Actual	Percent (24-23)÷ABS(23)
29	**Operating Expenses**							
30	Salaries and Wages	6,421,478	6,654,125	(232,647)	(3.5%)	6,502,100	(80,622)	(1.2%)
31	Employee Benefits	1,560,326	1,683,894	(123,568)	(7.3%)	1,674,327	(114,001)	(6.8%)
32	Professional Fees and Purchased Services	4,155,869	3,806,559	349,310	9.2%	3,724,295	431,574	11.6%
33	Supplies	1,380,920	1,283,859	97,061	7.6%	1,206,853	174,067	14.4%
34	Utilities	177,786	166,741	11,045	6.6%	178,020	(234)	(0.1%)
35	Leases and Rentals	56,647	68,352	(11,705)	(17.1%)	302,280	(245,633)	(81.3%)
36	Insurance	135,316	107,442	27,874	25.9%	106,704	28,612	26.8%
37	Repairs and Maintenance	26,265	114,738	(88,473)	(77.1%)	58,153	(31,888)	(54.8%)
38	Depreciation and Amortization	815,254	926,290	(111,036)	(12.0%)	654,026	161,228	24.7%
39	Other	783,359	764,554	18,805	2.5%	751,647	31,712	4.2%
40	Total Operating Expenses (Sum of Rows 30 to 39)	**15,513,220**	**15,576,554**	**(63,334)**	**(0.4%)**	**15,158,405**	**354,815**	**2.3%**
41								
42	TOTAL OPERATING INCOME (LOSS) (Row 27 minus Row 40)	(2,259,566)	(2,334,389)	74,823	3.2%	(3,252,418)	992,852	30.5%

ESTES PARK HEALTH

7.4.6

Q1 2024 Non-Operating Revenues & Expenses

Row		2024 YEAR TO DATE Jan through Mar				2023 YEAR TO DATE Jan through Mar		
7		Actual (A)	Budget (B)	Actual - Budget	Percent (A-B)÷ABS(B)	2023 Actual	2024 Actual - 2023 Actual	Percent (24-23)÷ABS(23)
45	**NONOPERATING REVENUES (EXPENSES)**							
46	Property Tax Revenues	1,074,560	1,080,657	(6,097)	(0.6%)	874,797	199,763	22.8%
47	Interest Expense	(134,063)	(138,480)	4,417	3.2%	(82,003)	(52,060)	(63.5%)
48	Investment Income (Loss)	85,223	75,825	9,398	12.4%	216,657	(131,434)	(60.7%)
49	Gain (Loss) on Disposal of Capital Assets	-	-	-		-	-	
50	Noncapital Grants and Contributions	-	6,252	(6,252)	(100.0%)	43	(43)	(100.0%)
51	Other	(40,419)	(52,500)	12,081	23.0%	(173,918)	133,499	76.8%
52	**TOTAL NONOPERATING REVENUES, NET (Sum of Rows 46 to 51)**	**985,301**	**971,754**	**13,547**	**1.4%**	**835,576**	**149,725**	**17.9%**
53								
54	**DEFICIT OF REVENUES OVER EXPENSES BEFORE CAPITAL CONTRIBUTIONS**	**(1,274,265)**	**(1,362,635)**	**88,370**	**6.5%**	**(2,416,842)**	**1,142,577**	47.3%
55								
56	Capital Contributions	42,779	-	42,779		-	(42,779)	
57								
58	NET POSITION INCREASE (DECREASE) (Row 54 + Row 56)	(1,231,486)	(1,362,635)	131,149	9.6%	(2,416,842)	1,185,356	49.0%
64								
65	EBITDA - Earnings Before Interest, Depreciation, and Amortization	(282,169)	(297,865)	15,696	5.3%	(1,680,813)	1,398,644	83.2%

ESTES PARK HEALTH

7.4.7

Q1 2024 Contract Labor Analysis

Contract Labor Analysis

	2024 Year to Date				2023 Year to Date		
	Actual	Budget	Actual - Budget	Percent (A-B)÷ABS(B)	Actual	2024 Actual - 2023 Actual	Percent (24-23)÷ABS(23)
Contract Labor- Mgr/Director	123,243	176,424	(53,181)	-30%	-	123,243	#DIV/0!
Contract Labor- RN	401,103	424,065	(22,962)	-5%	787,595	(386,492)	-49%
Contract Labor - Ancillary	321,804	205,199	116,605	57%	467,287	(145,483)	-31%
Contract Labor - Clerical & AD	43,702	29,933	13,769	46%	71,847	(28,145)	-39%
Contract Labor - Physician	1,072,521	822,146	250,375	30%	829,471	243,050	29%
Contract Labor - Mid Levels	32,500	45,000	(12,500)	-28%	42,000	(9,500)	-23%
Totals	1,994,873	1,702,767	292,106	17%	2,198,200	(203,327)	-9%

ESTES PARK HEALTH

7.4.8

Board Metrics

Board Metrics

	2024			2023									
	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar
Days Cash on Hand with Year to Date Monthly Average	116.2	107.3	115.6	125.5	138.3	134.8	124.5	117.7	115.4	100.1	106.4	101.1	107.4
Gross Days in Receivables	45.4	48.6	51.2	46.2	43.0	45.8	47.4	48.7	47.6	49.5	48.7	51.1	48.5

Year to Date EBITDA	2024 Mar	2023 Mar	2022 Mar
(Earnings Before Interest, Depreciation, and Amortization)	(282,169)	(1,680,813)	(2,057,207)

ESTES PARK HEALTH

7.4.9

Summary

- Overall, EPH is on target with budget for Q1 2024. However, we need to continue to focus on revenue growth and expense management.
- If EPH continues to perform at budget, EPH will have a $1.2M net position increase and a $5.2M Earnings Before Interest, Depreciation, and Amortization (EBITDA) by the end of 2024.
- Net patient service revenue (line 22) is $15K or 0.1% favorable to budget for the year. Year over year, net patient service revenue increased $1.3M or 11.1%.
- Salaries and Wages (line 30), Employee Benefits (line 31), and Professional Fess and Purchased Services (line 32) combined are right at budget.
- Total operating expenses (line 40) are favorable to budget by $63K or 0.4% for the year.
- Operating loss (line 42) is favorable to budget by $75K. Year over year, operating loss improved $1.0M.
- Decrease in net position (line 58) is favorable to budget by $131K for the year. Year over year, decrease in net position improved by $1.2M.

ESTES PARK HEALTH

7.4.10

Questions?

7.4.11