# Boulder Community Health Foundation

## Independent Auditor's Report and Financial Statements

December 31, 2025 and 2024

**Boulder Community Health Foundation**
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**December 31, 2025 and 2024**


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# Independent Auditor's Report

Board of Trustees
Boulder Community Health Foundation
Boulder, Colorado

## *Opinion*

We have audited the financial statements of Boulder Community Health Foundation (the Foundation), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Boulder Community Health Foundation as of December 31, 2025 and 2024, and the changes in its net assets 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). 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 Foundation 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.

## *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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 Foundation's ability to continue as a going concern within one year after the date that these financial statements are available to be issued.

### *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 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, 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 Foundation'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 Foundation'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.

Forvis Mazars, LLP

**Denver, Colorado**
**April 24, 2026**

**Boulder Community Health Foundation**
**Statements of Financial Position**
**December 31, 2025 and 2024**

| | 2025 | 2024 |
|---|---|---|
| **ASSETS** | | |
| Cash | $ 3,153,258 | $ 1,888,170 |
| Investments | 69,475,010 | 58,269,483 |
| Pledges receivable, net | 3,775,827 | 4,423,747 |
| Charitable remainder trusts | 1,004,706 | 923,082 |
| Beneficial interest in perpetual trusts | 3,259,110 | 3,077,764 |
| Other assets | 33,917 | 34,044 |
| **Total Assets** | $ 80,701,828 | $ 68,616,290 |
| **LIABILITIES AND NET ASSETS** | | |
| Accrued expenses payable to Boulder Community Health | $ 371,162 | $ 388,241 |
| Annuities payable | 227,430 | 236,865 |
| Liability under charitable remainder trusts | 512,862 | 495,818 |
| **Total Liabilities** | 1,111,454 | 1,120,924 |
| **Net Assets** | | |
| Without donor restrictions | 55,418,695 | 43,080,255 |
| With donor restrictions | 24,171,679 | 24,415,111 |
| **Total Net Assets** | 79,590,374 | 67,495,366 |
| **Total Liabilities and Net Assets** | $ 80,701,828 | $ 68,616,290 |

**Boulder Community Health Foundation**
**Statements of Activities**
**Years Ended December 31, 2025 and 2024**

| | 2025 | 2024 |
|---|---|---|
| **Net Assets Without Donor Restrictions** | | |
| Revenues and gains | | |
| Contributions | $ 1,962,982 | $ 459,040 |
| Contributions of nonfinancial assets | 798,897 | 696,007 |
| Investment income, net | 1,849,906 | 1,536,913 |
| Net realized and unrealized gains and (losses) on investments | 9,368,305 | 5,110,722 |
| Total revenue and gains without donor restrictions | 13,980,090 | 7,802,682 |
| Net assets released from restriction | 2,266,904 | 2,370,075 |
| Total revenues, gains and other support without donor restrictions | 16,246,994 | 10,172,757 |
| Expenses | | |
| Program activities | 2,658,300 | 3,814,224 |
| Supporting services | | |
| Management and general - foundation | 512,607 | 370,756 |
| Management and general - hospital | 207,970 | - |
| Fundraising | 459,830 | 713,062 |
| Special events costs | 69,847 | 77,956 |
| Total expenses | 3,908,554 | 4,975,998 |
| Increase in net assets without donor restrictions | 12,338,440 | 5,196,759 |
| **Net Assets With Donor Restrictions** | | |
| Contributions | 1,777,546 | 4,032,924 |
| Change in value of charitable remainder trusts | 64,580 | 32,089 |
| Change in value of investments held in perpetual trusts | 181,346 | 240,953 |
| Net assets released from restriction | (2,266,904) | (2,370,075) |
| Increase in net assets with donor restrictions | (243,432) | 1,935,891 |
| Change in net assets | 12,095,008 | 7,132,650 |
| Net assets, beginning of year | 67,495,366 | 60,362,716 |
| Net assets, end of year | $ 79,590,374 | $ 67,495,366 |

## Boulder Community Health Foundation
## Statement of Functional Expenses
## Year Ended December 31, 2025

| | Program Services | Support Services: Management and General Foundation | Support Services: Management and General Hospital | Support Services: Fundraising Expenses | Support Services: Special Events | Total |
|---|---|---|---|---|---|---|
| Audit and accounting fees | $ - | $ 48,917 | $ - | $ 2,199 | $ - | $ 51,116 |
| Bank fees | - | 2,077 | - | 11,140 | - | 13,217 |
| Catering | 139 | 273 | - | 392 | - | 804 |
| Catering - fundraising events | - | - | - | - | 25,765 | 25,765 |
| Change in value of gift annuities | - | 17,728 | - | - | - | 17,728 |
| Conferences, travel, and appreciation | - | 8,316 | - | 6,401 | - | 14,717 |
| Donors' advised designated expenses | 222,398 | - | - | - | - | 222,398 |
| Donor cultivation | - | - | - | 6,053 | - | 6,053 |
| Dues and subscriptions | - | 13,746 | - | - | - | 13,746 |
| Employee benefits | 41,408 | 67,059 | 38,156 | 72,753 | - | 219,376 |
| Grants in kind to Boulder Community Health | 35,000 | - | - | - | - | 35,000 |
| Grants to Boulder Community Health | 2,122,954 | - | - | - | - | 2,122,954 |
| Grants to outside organizations | 1,250 | - | - | - | - | 1,250 |
| Legal fees | - | - | - | - | - | - |
| Office supplies | 779 | 762 | - | 338 | - | 1,879 |
| Other business expenses | 1,477 | 21,477 | - | 9,449 | - | 32,403 |
| Other business expenses - fundraising events | - | - | - | - | 44,082 | 44,082 |
| Postage | - | 8,421 | - | 8,421 | - | 16,842 |
| Printing | - | 36,484 | - | 36,484 | - | 72,968 |
| Public relations | 9,105 | 9,167 | - | 27,502 | - | 45,774 |
| Rent expense | 38,030 | 38,030 | - | 19,015 | - | 95,075 |
| Salaries | 173,878 | 228,268 | 169,814 | 243,840 | - | 815,800 |
| Service contracts | 11,882 | 11,882 | - | 15,843 | - | 39,607 |
| Total expenses, year ended December 31, 2025 | $ 2,658,300 | $ 512,607 | $ 207,970 | $ 459,830 | $ 69,847 | $ 3,908,554 |

**Boulder Community Health Foundation**
**Statement of Functional Expenses**
**Year Ended December 31, 2024**

| | Program Services | Support Services: Management and General Foundation | Support Services: Fundraising Expenses | Support Services: Special Events | Total |
|---|---|---|---|---|---|
| Audit and accounting fees | $ - | $ 48,663 | $ - | $ - | $ 48,663 |
| Bank fees | - | 1,607 | 12,354 | - | 13,961 |
| Catering | - | 593 | 587 | - | 1,180 |
| Catering - fundraising events | - | - | - | 30,517 | 30,517 |
| Change in value of gift annuities | - | 18,097 | - | - | 18,097 |
| Conferences, travel, and appreciation | 34 | 4,524 | 2,030 | - | 6,588 |
| Donors' advised designated expenses | - | - | 155,701 | - | 155,701 |
| Donor cultivation | - | - | 11,920 | - | 11,920 |
| Dues and subscriptions | - | 3,582 | - | - | 3,582 |
| Employee benefits | 87,475 | 43,737 | 87,475 | - | 218,687 |
| Grants in kind to Boulder Community Health | 29,080 | - | - | - | 29,080 |
| Grants to Boulder Community Health | 3,338,005 | - | - | - | 3,338,005 |
| Legal fees | - | 15 | - | - | 15 |
| Office supplies | 834 | 2,357 | 595 | - | 3,786 |
| Other business expenses | 1,668 | 15,895 | 11,625 | - | 29,188 |
| Other business expenses - fundraising events | - | - | - | 47,439 | 47,439 |
| Postage | - | 10,128 | 6,447 | - | 16,575 |
| Printing | - | 28,961 | 28,961 | - | 57,922 |
| Public relations | 17,329 | 17,329 | 51,987 | - | 86,645 |
| Rent expense | 36,486 | 18,243 | 36,486 | - | 91,215 |
| Salaries | 292,577 | 146,289 | 292,578 | - | 731,444 |
| Service contracts | 10,736 | 10,736 | 14,316 | - | 35,788 |
| Total expenses, year ended December 31, 2024 | $ 3,814,224 | $ 370,756 | $ 713,062 | $ 77,956 | $ 4,975,998 |

**Boulder Community Health Foundation**
**Statements of Cash Flows**
**Years Ended December 31, 2025 and 2024**

| | 2025 | 2024 |
|---|---|---|
| **Cash Flows from Operating Activities** | | |
| Change in net assets | $ 12,095,008 | $ 7,132,650 |
| Items not requiring (providing) operating cash flows | | |
| Gain on investments | (9,368,305) | (5,110,722) |
| Restricted contributions - endowments | (451,793) | (1,248,838) |
| Change in charitable remainder trusts | (64,580) | (32,089) |
| Change in beneficial interest in perpetual trusts | (181,346) | (240,953) |
| Changes in assets and liabilities | | |
| Pledges receivable | 647,920 | 1,848,722 |
| Other assets | 127 | 31,320 |
| Accrued expenses payable to Boulder Community Health | (17,079) | 2,150 |
| **Net Cash Provided by Operating Activities** | 2,659,952 | 2,382,240 |
| **Cash Flows from Investing Activities** | | |
| Proceeds from sale of investments | 57,504,646 | 27,408,751 |
| Purchase of investments | (59,341,868) | (30,947,139) |
| **Net Cash Used in Investing Activities** | (1,837,222) | (3,538,388) |
| **Cash Flows from Financing Activities** | | |
| Proceeds from restricted contributions - endowments | 451,793 | 1,248,838 |
| Payment of annuities | (9,435) | (8,904) |
| **Net Cash Provided by Financing Activities** | 442,358 | 1,239,934 |
| **Net Increase in Cash** | 1,265,088 | 83,786 |
| **Cash, Beginning of Year** | 1,888,170 | 1,804,384 |
| **Cash, End of Year** | $ 3,153,258 | $ 1,888,170 |

## Note 1. Summary of Significant Accounting Policies

### *Organization*

The Boulder Community Health Foundation (the Foundation) was organized for the purpose of obtaining, holding, and managing funds for the benefit of The Community Hospital Association d/b/a Boulder Community Health (the Hospital). The Hospital and the Foundation are located in Boulder, Colorado. The Foundation is primarily supported by contributions from individuals and corporate donors. The Foundation is governed by a 20-member Board of Trustees. Accordingly, the Foundation and the Hospital are financially interrelated organizations. As such, the Hospital includes in its financial statements an asset for its interest in the Foundation's net assets. The accompanying financial statements include only the activity of the Foundation.

### *Basis of Accounting*

The Foundation's policy is to prepare its financial statements on the accrual basis in conformity with U.S. generally accepted accounting principles. As such, revenues are recognized when earned or, in the case of donations, when the pledge is made by the donor. Expenses are recognized when incurred. The Foundation accounts for its net assets, revenues, gains, expenses, and losses as with and without donor restrictions based upon the existence or absence of donor-imposed restrictions.

### *Use of Estimates*

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

### *Cash*

The Foundation considers all highly liquid investments and securities with original maturities of three months or less to be cash equivalents. Uninvested cash and cash equivalents included in investment accounts, including endowment accounts, are not considered to be cash and cash equivalents. At December 31, 2025 and 2024, the Foundation did not hold cash equivalents.

The Foundation maintains its operating cash in bank deposit accounts and utilizes a sweep program to automatically invest excess cash balances in institutional money market funds. These funds are transferred and invested daily, primarily hold short-term, high-quality securities such as U.S. Treasury obligations, government agency securities, and other highly liquid instruments.

Although these money market fund balances are not insured by the Federal Deposit Insurance Corporation (FDIC), the underlying investments are comprised of securities rather than bank deposits. As a result, the Foundation believes there is minimal credit risk associated with these holdings due to the quality and liquidity of the underlying instruments.

At December 31, 2025, the Foundation had approximately $3,819,000 in money market funds as a result of the cash sweep arrangement. These funds are classified as cash on the statement of financial position.

### *Investments*

The Foundation measures securities, other than investments that qualify for the equity method of accounting, at fair value. Investments in private equity funds are recorded at net asset value (NAV), as a practical expedient, to determine fair value of the investments (see Note 2 for further explanation of Alternative Investments).

### *Net Investment Return*

Investment return includes dividend and interest income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments, net of external and internal investment expense. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is reported as without donor restrictions. Other investment return is reflected in the statements of activities as with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

The Foundation maintains pooled investment accounts for its endowments. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated annually to the individual endowments based on the relationship of the fair value of the interest of each endowment to the total fair value of the pooled investments accounts, as adjusted for additions to or deductions from those accounts.

### *Pledges Receivable*

Unconditional promises to give the Foundation cash or other assets in the future are recorded at estimated present value when the pledges are made by the donor, discounted at U.S. Treasury Zero-Coupon Bond rates for the same period. The discount rate used for outstanding pledges receivable ranged from 0.13% to 4.73% at December 31, 2025 and 2024. An allowance for uncollectible pledges is provided based on specific circumstances and estimated rates based on historical patterns.

### *Net Assets*

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

Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions.

Net assets with donor restrictions are subject to donor restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

### *Contributions*

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

| Nature of the Gift | Value Recognized |
|---|---|
| *Conditional gifts, with or without restriction* | |
| Gifts that depend on the Foundation overcoming a donor-imposed barrier to be entitled to the funds | Not recognized until the gift becomes unconditional, *i.e.*, the donor-imposed barrier is met |

| Nature of the Gift | Value Recognized |
|---|---|
| *Unconditional gifts, with or without restriction* | |
| Received at date of gift – cash and other assets | Fair value |
| Received at date of gift – property, equipment, and long-lived assets | Estimated fair value |
| Expected to be collected within one year | Net realizable value |
| Collected in future years | Initially reported at fair value determined using the discounted present value of estimated future cash flows technique |

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

When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Gifts and investment income having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

Conditional contributions having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

### *Charitable Remainder Trusts*

The Foundation is occasionally named as trustee and recipient of the charitable remainder in charitable remainder unitrusts and annuity trusts. The trusts generally require the Foundation to make quarterly payments of a fixed percentage of the fair value of the trust to the designated beneficiaries for a designated period of time, usually the life of the beneficiaries. The fair value of the trusts' assets are shown as an asset of the Foundation with a liability (liability under charitable remainder trusts) for the net present value of the expected payments to be made to the income beneficiaries. The Foundation recognizes the fair value of the trust assets and the related liability to the beneficiaries at the date of the gift. On an annual basis, the Foundation revalues the liability to make distributions to the designed beneficiaries based on actuarial assumptions. The present value of the estimated future payments as of December 31, 2025 and 2024, is calculated using a discount rate of 4.79% and 4.86%, respectively, and applicable mortality tables.

### *Beneficial Interest in Perpetual Trusts*

The Foundation is beneficiary of perpetual trusts in which it has an irrevocable right to receive the income earned on the trust assets in perpetuity but never receives the corpus. These trusts are administered by a third party and are recognized as contribution revenue and as an asset upon notification of the trust's existence. The fair value of the contribution is measured at the fair value of the trust's assets, which approximates the present value of the estimated future cash receipts from the trust. The gift revenue is classified as investments held in perpetual trusts with donor restrictions. Annual distributions from the trusts are reported as investment income without donor restrictions.

### *Annuities Payable*

The net present value of guaranteed payments to donors under gift annuity contracts is based upon donor life expectancies. The excess of the annuity gift assets received over the recorded liability is recorded as support in the year of receipt. Upon the donor's death, the excess of the gift received from the donor is available for restricted or unrestricted purposes, as specified by the donor. On an annual basis, the Foundation revalues the liability to make distributions to the designated beneficiaries based on mortality tables and actuarial assumptions.

### *Functional Allocation of Expenses*

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Certain costs have been allocated among the program, management and general, and fundraising categories based on estimated employee time and effort and other methods.

### *Income Taxes*

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

## Note 2. Investments

Investments at December 31, 2025 and 2024, consist of the following:

| | 2025 | 2024 |
|---|---|---|
| Cash | $ 183,338 | $ - |
| Municipal bonds | 15,321 | 14,394 |
| Mutual funds invested in | | |
| Equity securities | 50,818,605 | 41,829,476 |
| Bond funds | 15,142,328 | 14,590,295 |
| Alternative investments | 3,315,418 | 1,835,318 |
| Total | $ 69,475,010 | $ 58,269,483 |

### *Alternative Investments*

As part of its investment strategy, the Foundation invests in private equity limited partnerships. The fair value of alternative investments has been estimated using the net asset value per share of the investments. Alternative investments held at December 31, 2025 and 2024, consist of the following:

| | 2025 | | |
|---|---|---|---|
| | Fair Value | Expected Term | Redemption Term |
| HarbourVest Private Equity Funds | $ 3,315,418 | 14 year term | Not Redeemable |

| | 2024 | | |
|---|---|---|---|
| | Fair Value | Expected Term | Redemption Term |
| HarbourVest Private Equity Funds | $ 1,835,318 | 14 year term | Not Redeemable |

The Private Equity Funds are feeder funds that invests in partnerships or other pooled investment vehicles, which in turn, make private equity investments and to invest directly in private equity transactions. These investments are structured with long-term commitments, requiring the Foundation to make periodic capital contributions upon request. As of December 31, 2025 and 2024, the Foundation had a total capital commitment of $8,000,000 and had paid $2,740,000 and $1,560,000, respectively. Unfunded capital commitments are callable at the discretion of the general partners. Distributions will be made at the end of each fund's term. The Foundation intends to fund these commitments from existing cash, as well as from proceeds generated by the equity portion of the portfolio.

## Note 3. Pledges Receivable

Pledges receivable at December 31, 2025 and 2024, consist of the following donor restricted amounts:

| | 2025 | 2024 |
|---|---|---|
| Expected receipt in | | |
| Less than one year | $ 1,356,626 | $ 1,822,478 |
| One to five years | 1,449,917 | 1,543,280 |
| Thereafter | 2,100,000 | 2,250,000 |
| Gross pledges receivable | 4,906,543 | 5,615,758 |
| Less discount for present value | (1,120,716) | (1,150,527) |
| Less allowance for uncollectible pledges | (10,000) | (41,484) |
| Net pledges receivable | $ 3,775,827 | $ 4,423,747 |

## Note 4. Beneficial Interest in Perpetual Trusts

The fair value of the assets in perpetual trusts that support the revenue stream to the Foundation increased by $181,346 and $240,953 in 2025 and 2024, respectively. During the years ended December 31, 2025 and 2024, distributions from the trusts' assets were approximately $176,000 and $135,000, respectively. Annual distributions from the trusts are reported as investment income without donor restrictions.

## Note 5. Fair Value Measurements

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

**Level 1** Quoted prices in active markets for identical assets or liabilities

**Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

**Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

### *Recurring Measurements*

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2025 and 2024:

| | Fair Value Measurements at December 31, 2025 | | | |
|---|---|---|---|---|
| | Portion of Carrying Value Measured at Fair Value 2025 | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Investments | | | | |
| Municipal bonds | $ 15,321 | $ - | $ 15,321 | $ - |
| Mutual funds invested in | | | | |
| Equity securities | 50,818,605 | 50,818,605 | - | - |
| Bond funds | 15,142,328 | 15,142,328 | - | - |
| Alternative investments - measured at net asset value (A) | 3,315,418 | - | - | - |
| Total investments | $ 69,291,672 | $ 65,960,933 | $ 15,321 | $ - |
| Other | | | | |
| Charitable remainder trusts | $ 1,004,706 | $ - | $ 1,004,706 | $ - |
| Beneficial interest in perpetual trusts | 3,259,110 | - | - | 3,259,110 |
| Liability under charitable remainder trusts | (512,862) | - | (512,862) | - |
| Total other | $ 3,750,954 | $ - | $ 491,844 | $ 3,259,110 |

| | Fair Value Measurements at December 31, 2024 | | | |
|---|---|---|---|---|
| | Portion of Carrying Value Measured at Fair Value 2024 | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Investments | | | | |
| Municipal bonds | $ 14,394 | $ - | $ 14,394 | $ - |
| Mutual funds invested in | | | | |
| Equity securities | 41,829,476 | 41,829,476 | - | - |
| Bond funds | 14,590,295 | 14,590,295 | - | - |
| Alternative investments - measured at net asset value (A) | 1,835,318 | - | - | - |
| Total investments | $ 58,269,483 | $ 56,419,771 | $ 14,394 | $ - |
| Other | | | | |
| Charitable remainder trusts | $ 923,082 | $ - | $ 923,082 | $ - |
| Beneficial interest in perpetual trusts | 3,077,764 | - | - | 3,077,764 |
| Liability under charitable remainder trusts | (495,818) | - | (495,818) | - |
| Total other | $ 3,505,028 | $ - | $ 427,264 | $ 3,077,764 |

(A) Certain investments that are measured at fair value using the net asset value per share practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

### *Investments*

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

### *Beneficial Interest in Perpetual Trusts*

Fair value is estimated at the present value of the future distributions expected to be received over the term of the agreement. Due to the nature of the valuation inputs, the interest is classified within Level 3 of the hierarchy.

### *Charitable Remainder Trusts and Liability*

Charitable remainder trusts are measured using a risk-free interest rate, the life of the trust and the trust's future payments as defined in the trust agreement. The liability under the charitable remainder trusts is calculated using the trust's payout rate and the life expectancy of the trust holder. Charitable remainder trusts are classified within Level 2 of the hierarchy.

## Note 6. Net Assets with Donor Restrictions

### *Net Assets With Donor Restrictions*

Net assets with donor restrictions at December 31, 2025 and 2024, are for the following purposes or periods:

| | 2025 | 2024 |
|---|---|---|
| Subject to expenditure for specified purpose | | |
| Charitable remainder trusts (CRT) | $ 491,844 | $ 427,264 |
| Cancer care | 521,263 | 496,251 |
| Foothills facilities | 1,482,490 | 1,400,000 |
| Other hospital programs | 32,903 | 32,903 |
| Rapid response | 74,603 | 252,205 |
| Staff wellness & Education | 938,248 | 289,393 |
| Centennial Campaign | 636,482 | 1,117,357 |
| BCH funding focus: community, patients, workforce | 1,574,344 | 2,846,363 |
| Family birth center | 450,000 | - |
| Geriatrics & palliative care | 10,000 | - |
| | 6,212,177 | 6,861,736 |
| Subject to the passage of time | | |
| Restricted for time and change in pledge discount | 347,066 | 574,078 |
| Endowments | | |
| Subject to spending policy and appropriation | | |
| Investments to be held in perpetuity, the income is expendable without donor restriction | 4,577,645 | 4,496,735 |
| Investments to be held in perpetuity, the income is expendable for the following purposes | | |
| Mental Health | 2,199,250 | 1,992,168 |
| Diabetes services | 360,210 | 360,210 |
| Cancer services | 89,776 | 89,776 |
| Scholarships | 112,448 | 111,348 |
| Neonatal program at Foothills facility | 48,094 | 48,094 |
| BCH Canine Corp | 250,750 | 250,250 |
| Heart and Surgery Center | 25,000 | 25,000 |
| Community/Patient Assistance | 184,674 | 53,655 |
| Workforce | 4,475,081 | 3,542,694 |
| Trauma Care | 1,000,000 | 1,000,000 |
| Underwater Endowments | - | (15,599) |
| Promises to give and change in pledge discount | 1,030,398 | 1,947,202 |
| Not subject to appropriation or expenditure | | |
| Beneficial interests in perpetual trusts | 3,259,110 | 3,077,764 |
| | 17,612,436 | 16,979,297 |
| | $ 24,171,679 | $ 24,415,111 |

### *Net Assets Released from Restrictions*

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

| | 2025 | 2024 |
|---|---|---|
| Purpose restriction accomplished | | |
| Cancer care | $ 46,858 | $ 323,904 |
| Rapid response | 179,375 | - |
| Staff wellness & education | 101,354 | - |
| Centennial Campaign | 481,408 | 1,688,316 |
| BCH funding focus: community, patients, workforce | 1,266,881 | 256,930 |
| Diabetes Center | - | 18,946 |
| | 2,075,876 | 2,288,096 |
| Time restrictions expired | | |
| Passage of specified time | 191,028 | 81,979 |
| Total restrictions released | $ 2,266,904 | $ 2,370,075 |

## Note 7. Endowment

The Foundation's endowment consists of approximately 39 individual endowment funds established for a variety of purposes. These endowments include both donor-restricted endowment funds and funds established by the Board of Trustees to function as donor-restricted endowments. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation's governing body has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result, the Foundation classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the governing body appropriates such amounts for expenditures. Some of those net assets also are subject to purpose restrictions that must be met before being reclassified as net assets without donor restrictions.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of the Foundation and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from income and appreciation or depreciation of investments
6. Other resources of the Foundation
7. The investment policies of the Foundation

Changes in endowment net assets for the years ended December 31, 2025 and 2024:

| | Without Donor Restriction | With Donor Restriction | Total |
|---|---|---|---|
| Endowment net assets, January 1, 2024 | $ 1,488,938 | $ 12,652,695 | $ 14,141,633 |
| Net investment return | 1,432,776 | - | 1,432,776 |
| Appropriation of endowment assets for expenditures | (535,260) | - | (535,260) |
| Contributions and change in pledge discount | - | 1,248,838 | 1,248,838 |
| Endowment net assets, December 31, 2024 | 2,386,454 | 13,901,533 | 16,287,987 |
| Net investment return | 2,176,062 | - | 2,176,062 |
| Appropriation of endowment assets for expenditures | (602,027) | - | (602,027) |
| Contributions and change in pledge discount | - | 451,793 | 451,793 |
| Endowment net assets, December 31, 2025 | $ 3,960,489 | $ 14,353,326 | $ 18,313,815 |

Net investment return is considered to be without donor restriction due to the Foundation having the ability to redirect earnings under the endowment contractual agreements.

### *Investment and Spending Policies*

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board of Trustees, the endowment assets are invested in short-term and long-term funds. Short-term funds are invested primarily in liquid, income producing instruments with minimum fluctuation potential. Instruments in this category will emphasize preservation of capital. Long-term funds are those where principal can be left undistributed for at least three years. These funds are invested to emphasize growth of capital and to outpace inflation. The Foundation expects its endowment funds, over time, to provide an average rate of return of approximately 5% plus the inflation rate, on an annualized basis. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The Foundation has a policy of appropriating for distribution each year a maximum of 5% of its endowment fund's average portfolio value over the prior three years through the calendar year-end preceding the fiscal year in which the distribution is planned. Effective 2024, the Foundation has added to its policy a process for calculating appropriation of endowment funds that have not been in place for three years. For these funds, the 5% is calculated based on the endowment fund's trailing quarterly balances for the number of quarters the fund has been in existence as of year-end of the year preceding the calculation.

In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long-term, the Foundation expects the current spending policy to allow its endowment to grow at an average rate of 5% annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

### *Underwater Endowments*

For the year ended December 31, 2024, and prior, the governing body of the Foundation had interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Foundation considers a fund to be underwater if the fair value of the fund is less than the sum of:

(A) the original value of initial and subsequent gift amounts donated to the fund and

(B) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument.

The Organization had interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Effective 2025, the Organization amended its policy so that no distribution should be made if the distribution amount would reduce the fund's value to an amount less than the fund's corpus.

At December 31, 2025, there were no funds with a deficiency in fair value compared to original gift value.

At December 31, 2024, funds with original gift values of $275,250, fair values of $259,651, and deficiencies of $15,599, were reported in net assets with donor restrictions. These deficiencies resulted from unfavorable market fluctuations.

Prior to the policy change noted above, the Organization had a policy that permits spending from underwater endowment funds, unless otherwise precluded by donor stipulations or laws and regulations. The governing board appropriated for expenditure $0 and $12,976 from underwater endowment funds during the years ended December 31, 2025 and 2024, respectively.

## Note 8. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2025 and 2024, comprise the following:

| | 2025 | 2024 |
|---|---|---|
| Total financial assets | $ 80,701,828 | $ 68,616,290 |
| Less donor imposed restrictions | | |
| Pledges receivable, net | 3,775,827 | 4,423,747 |
| Charitable remainder trusts and other | 1,038,623 | 957,126 |
| Beneficial interest in perpetual trusts | 3,259,110 | 3,077,764 |
| Endowments | 14,353,326 | 13,901,533 |
| Additional restricted contributions | 2,055,856 | 3,149,131 |
| Financial assets available to meet cash needs for general expenditures within one year after donor imposed restrictions | $ 56,219,086 | $ 43,106,989 |

The Foundation receives significant contributions restricted by donors and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. For the years ended December 31, 2025 and 2024, all restricted contributions are excluded from financial assets available to meet cash needs; however, as donor restrictions are met by the Foundation these funds will become available to meet cash needs for general expenditures within one year.

The Foundation's endowment funds consist of donor restricted. Income from donor-restricted endowments contain both restriction for specific purposes and available for general use. Donor-restricted endowment funds are not available for general expenditure.

The Foundation manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be met. The Foundation forecasts its future cash flows, monitors its liquidity and reserves throughout the year.

## Note 9. Related-Party Transactions

In addition to the grants to the Hospital, the Hospital provides support to the Foundation for the purpose of covering the Foundation's costs for salaries and employee benefits. For the years ended December 31, 2025 and 2024, the Foundation received $763,897 and $666,927, respectively, under this support arrangement. This contribution is reflected in the accompanying statements of activities for the years ended December 31, 2025 and 2024. The members of the Foundation's Board of Trustees provide support to the Foundation in the form of cash contributions and pledges. For the years ended December 31, 2025 and 2024, the Foundation received cash contributions and pledges from members of the Board of Trustees of $895,647 and $454,663, respectively.

## Note 10. Contributed Nonfinancial Assets

For the years ended December 31, 2025 and 2024, contributed nonfinancial assets recognized within the statements of activities included:

| | 2025 | 2024 |
|---|---|---|
| Donated from the Hospital | | |
| Salaries and wages | $ 668,822 | $ 575,712 |
| Office space | 95,075 | 91,215 |
| | 763,897 | 666,927 |
| Donated from third party | | |
| Silent auction items | 35,000 | 29,080 |
| Total donated services, materials and office space | $ 798,897 | $ 696,007 |

The nonfinancial assets listed above were recognized within revenue. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed salaries and benefits are recognized as revenue based on the wages and benefits paid by the hospital on behalf of the foundation and are allocated to program and management and general based on time and effort. Contributed office space is valued based on comparable rental rates. Both contributed items are allocated to program, management and general, and fundraising based on time and effort.

## Note 11. Concentrations

### *Contributions*

The Foundation is supported primarily through contributions from the community. As such, changes in the economy of Boulder County and its surrounding area could possibly impact the amount of contributions received in a given year.

The Foundation had four donors with promises to give that each exceeded 10% of the total gross pledge receivable balance at both December 31, 2025 and 2024. These pledges make up approximately 81% and 80% of the total pledges receivable balance at December 31, 2025 and 2024, respectively.

### *Investments*

The Foundation invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statements of financial position.

## Note 12. Conditional Grants

The Foundation makes grants to the Hospital and other entities to support programs consistent with its mission. Certain grants are conditional upon the recipients meeting specified performance or compliance requirements.

Grant expenses related to these awards are recognized when the conditions are met. As of December 31, 2025, the Foundation had approximately $3,000,000 of conditional grant commitments that had not been recognized as expense. Payment of these amounts is dependent upon the recipients' satisfaction of the grant conditions such as the Hospital or recipient's incurring and requesting reimbursement for allowable expenses.

## Note 13. Subsequent Events

Management has evaluated subsequent events through April 24, 2026, which is the date the financial statements were available to be issued.