NORTHWEST COLORADO VISITING NURSE ASSOCIATION AND AFFILIATE DBA: NORTHWEST COLORADO HEALTH

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEARS ENDED DECEMBER 31, 2025 AND 2024

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NORTHWEST COLORADO VISITING NURSE ASSOCIATION
AND AFFILIATE DBA: NORTHWEST COLORADO HEALTH
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Northwest Colorado Visiting Nurse Association and Affiliate
dba: Northwest Colorado Health
Steamboat Springs, Colorado

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Northwest Colorado Visiting Nurse Association and Affiliate dba: Northwest Colorado Health (the Organization), which comprise the consolidated balance sheet as of December 31, 2025, and the related consolidated statements of operations, changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2025, and the results of their operations, changes in their net assets, and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date the consolidated financial statements are available to be issued.

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Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 *Government 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 consolidated financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Organization'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 consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2026, on our consideration of the Organization's internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion of the effectiveness of the Organization'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 Organization's internal control over financial reporting and compliance.

Prior Period Financial Statements

The financial statements of the Organization as of December 31, 2024 were audited by other auditors whose report, dated December 17, 2025, expressed an unmodified opinion on those statements.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Denver, Colorado
June 24, 2026

NORTHWEST COLORADO VISITING NURSE ASSOCIATION AND AFFILIATE
DBA: NORTHWEST COLORADO HEALTH
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 2,797,605	$ 2,672,765
Patient and Resident Accounts Receivable	1,161,680	1,608,677
Grants and Other Receivables	812,944	823,114
Pledges Receivable, Current	2,500	4,000
Prepaid Expenses and Other Assets	387,536	338,011
Total Current Assets	5,162,265	5,446,567
OTHER ASSETS		
Assets Limited as to Use	1,544,086	1,697,804
Resident Deposits and Other Assets	76,331	97,374
Pledges Receivable	2,500	4,200
Beneficial Interest in Assets Held by Yampa Valley Community Foundation	998,036	882,987
Right-of-Use Assets - Operating Leases	109,464	188,580
Total Other Assets	2,730,417	2,870,945
PROPERTY AND EQUIPMENT, NET	35,715,897	36,711,800
Total Assets	$ 43,608,579	$ 45,029,312

See accompanying Notes to Consolidated Financial Statements.

NORTHWEST COLORADO VISITING NURSE ASSOCIATION AND AFFILIATE
DBA: NORTHWEST COLORADO HEALTH
CONSOLIDATED BALANCE SHEETS (CONTINUED)
DECEMBER 31, 2025 AND 2024

	2025	2024
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current Maturities of Long-Term Debt	$ 83,607	$ 81,612
Accounts Payable	609,499	909,131
Accrued Payroll and Related Benefits	1,588,150	1,531,654
Accrued Expenses	511,344	500,438
Current Portion of Deferred Revenue from Advance Fees	101,470	104,943
Contract Liability	95,838	124,989
Deferred Revenue	127,313	128,610
Current Maturities of Operating Lease Liabilities	90,899	83,089
Total Current Liabilities	3,208,120	3,464,466
LONG-TERM LIABILITIES		
Deposits	56,486	64,846
Refundable Entrance Fees	2,213,044	2,268,770
Deferred Revenue from Advance Fees	769,611	867,706
Long-Term Debt, Net of Current Maturities and Deferred Financing Costs	11,352,766	11,426,654
Operating Lease Liabilities, Net of Current Maturities	31,489	122,388
Total Long-Term Liabilities	14,423,396	14,750,364
Total Liabilities	17,631,516	18,214,830
NET ASSETS		
Without Donor Restrictions:		
Board-Designated	627,977	522,803
Undesignated	7,582,890	7,821,043
Total Without Donor Restrictions	8,210,867	8,343,846
With Donor Restrictions	17,766,196	18,470,636
Total Net Assets	25,977,063	26,814,482
Total Liabilities and Net Assets	$ 43,608,579	$ 45,029,312

See accompanying Notes to Consolidated Financial Statements.

NORTHWEST COLORADO VISITING NURSE ASSOCIATION AND AFFILIATE
DBA: NORTHWEST COLORADO HEALTH
CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
REVENUES, GAINS, AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS		
Patient Service Revenue	$ 16,494,701	$ 9,532,524
Resident Services, Including Amortization of Advance Fees; 2025 - $101,470 and 2024 - $56,662	6,517,014	1,493,424
Grants and Contracts	5,068,896	5,393,930
Contributions	1,902,406	1,173,945
Other Income	399,588	1,019,683
Contributed Nonfinancial Assets	137,012	137,030
Net Assets Released from Restrictions Used for Operations	1,977,234	919,137
Total Revenues, Gains, and Other Support Without Donor Restrictions	32,496,851	19,669,673
EXPENSES		
Salaries and Benefits	16,655,595	12,385,407
Contract and Professional Services	7,314,877	2,869,271
Supplies	1,114,216	846,963
Other Operating Expenses	5,859,386	3,021,488
Depreciation and Amortization	1,438,536	724,008
Interest Expense	468,862	53,113
Contributed Nonfinancial Assets	137,012	137,030
Total Expenses	32,988,484	20,037,280
OPERATING LOSS	(491,633)	(367,607)
OTHER INCOME		
Change In Beneficial Interest in Assets Held by Yampa Valley Community Foundation	106,849	158,443
Rental Income	94,447	29,223
Investment Income	142,358	104,711
Total Other Income	343,654	292,377
DEFICIT OF REVENUES OVER EXPENSES	$ (147,979)	$ (75,230)

See accompanying Notes to Consolidated Financial Statements.

NORTHWEST COLORADO VISITING NURSE ASSOCIATION AND AFFILIATE
DBA: NORTHWEST COLORADO HEALTH
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Deficit of Revenues Over Expenses	$ (147,979)	$ (75,230)
Capital Contribution	15,000	-
Decrease in Net Assets without Donor Restrictions	(132,979)	(75,230)
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	1,272,794	18,554,231
Net Assets Released from Restrictions	(1,977,234)	(919,137)
Increase (Decrease) in Net Assets with Donor Restrictions	(704,440)	17,635,094
CHANGE IN NET ASSETS	(837,419)	17,559,864
Net Assets - Beginning of Year	26,814,482	9,254,618
NET ASSETS - END OF YEAR	$ 25,977,063	$ 26,814,482

See accompanying Notes to Consolidated Financial Statements.

NORTHWEST COLORADO VISITING NURSE ASSOCIATION AND AFFILIATE
DBA: NORTHWEST COLORADO HEALTH
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change In Net Assets	$ (837,419)	$ 17,559,864
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	1,284,440	618,296
Accretion of Fair Market Value of Life Care	144,738	105,712
Amortization of Deferred Revenue from Advance Fees	(101,470)	(56,662)
Interest Expense - Amortization of Deferred Financing Costs	9,358	-
Change in Beneficial Interest in Assets Held by Yampa Valley Community Foundation	(106,849)	(158,443)
Contributions of or for Acquisition of Property and Equipment	-	(17,600,000)
Capital Contribution	(15,000)	-
Noncash Lease Expense	79,116	76,811
Changes in Assets and Liabilities:		
Patient and Resident Accounts Receivable	446,997	(649,608)
Grants and Other Receivables	10,170	30,093
Pledges Receivable	3,200	43,333
Prepaid Expenses, Other Assets, and Deposits	(28,482)	221,077
Accounts Payable and Accrued Expenses	(299,632)	484,096
Accrued Payroll and Related Benefits	67,402	544,724
Refundable Advance - Employee Retention Credit	-	(3,051,371)
Contract Liabilities	(29,151)	124,989
Deposits	(9,657)	50,934
Operating Lease Liability	(83,089)	(75,503)
Net Cash Provided (Used) by Operating Activities	534,672	(1,731,658)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(288,537)	(222,307)
Capital Contribution	15,000	-
Contributions to Investments Held by Yampa Valley Community Foundation	(8,200)	(64,365)
Payment for Acquisition of Casey's Pond, Net of Cash Acquired	-	(25,701,508)
Net Cash Used by Investing Activities	(281,737)	(25,988,180)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Long-Term Debt	(81,251)	(78,073)
Proceeds from Issuance of Long-Term Debt	-	10,000,000
Contributions of or for Acquisition of Property and Equipment	-	17,600,000
Payment of Deferred Financing Costs	-	(9,358)
Refunds of Entrance Fees	(200,562)	(215,100)
Net Cash Provided (Used) by Investing Activities	(281,813)	27,297,469
DECREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(28,878)	(422,369)
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	4,370,569	4,792,938
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	$ 4,341,691	$ 4,370,569

See accompanying Notes to Consolidated Financial Statements.

NORTHWEST COLORADO VISITING NURSE ASSOCIATION AND AFFILIATE
DBA: NORTHWEST COLORADO HEALTH
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
RECONCILIATION OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH		
Cash and Cash Equivalents	$ 2,797,605	$ 2,672,765
Assets Limited as to Use	1,544,086	1,697,804
Total Cash, Cash Equivalents, and Restricted Cash	$ 4,341,691	$ 4,370,569
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash Paid for Interest	$ 459,504	$ 157,521
Contributed Nonfinancial Assets	$ 137,012	$ 137,030

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Northwest Colorado Visiting Nurse Association and Affiliate dba: Northwest Colorado Health (the Organization) is a nonprofit agency providing services including prevention services, primary/dental/behavioral health care, home health, hospice, assisted living and respite care to clients in Northwest Colorado, primarily in Routt, Moffat and Jackson Counties. The Organization's primary mission is to improve the quality of life for all Northwest Colorado residents by providing comprehensive health resources and creating an environment that supports community wellness. The Organization is committed to, and actively involved in, providing comprehensive health and wellness services for people of all ages, income levels, and insurance statuses. Most services are offered on a sliding scale; no individual is denied services or care based on his/her ability to pay.

During 2024, the Organization created Northwest Colorado Health, LLC for the acquisition of a senior living community as further described in Note 15. Northwest Colorado Visiting Nurse Association is the sole member of Northwest Colorado Health, LLC.

Prevention Services

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

Community Health Center

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

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Home Health

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

Hospice

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

Assisted Living

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

Senior Living Community

Effective October 1, 2024, the Organization purchased a senior living community known as Casey's Pond. Casey's Pond is a senior living community located in Steamboat Springs, Colorado, offering a full continuum of care, including independent living, assisted living, skilled nursing, and rehabilitation. Operations of the nursing home merged into the Organization. See acquisition at Note 15.

Supporting Services

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

Principles of Consolidation

The consolidated financial statements include the accounts of Northwest Colorado Visiting Nurse Association and Northwest Colorado Health, LLC. All significant intercompany accounts and transactions have been eliminated in consolidation.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of the consolidated 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 consolidated financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Include net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. At times, the governing board can designate, from net assets without donor restrictions, net assets for a board-designated endowment or other purposes.

Net Assets With Donor Restrictions – Include net assets subject to donor-imposed restrictions. Some donor-imposed 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 donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource has been fulfilled, or both.

Revenues are reported as increases in net assets without donor restrictions, unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions, unless their use is restricted by explicit donor restriction or by law. Expirations of donor restrictions on assets are reported as transfers between the applicable classes of net assets. Contributions with externally imposed restrictions that are met in the same year as received are reported as revenues of the net asset without donor restriction class.

Cash and Cash Equivalents

Cash and cash equivalents are defined as cash and short-term investments with an original maturity of three months or less from the date of purchase. The Organization may, from time to time, have deposits in financial institutions that exceed Federal Deposit Insurance Corporation (FDIC) insurance limits.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets Limited as to Use

Assets limited as to use is an escrow account established in compliance with the Colorado state law for applicant deposits. The amount is made up of cash.

Patient and Resident Accounts Receivable

Patient and resident accounts receivable reflects the outstanding amount of consideration to which the Organization expects to be entitled in exchange for providing patient care and resident care. These amounts are due from patients, residents, and third-party payors (including health insurers and government programs) and others. As a service to the patient and resident, the Organization bills third-party payors directly and bills the patient when the patient's responsibility for co-pays, coinsurance, and deductibles is determined. Patient and resident accounts receivable are due in full when billed. Management believes no allowance for expected credit loss estimate is considered necessary based on historical losses and future credit losses.

Property and Equipment

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

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

Buildings and Building Improvements	10 to 39 Years
Furniture, Equipment, and Vehicles	3 to 15 Years

Impairment of Long-Lived Assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell. There was no impairment of long-lived assets as of December 31, 2025 and 2024.

Leases

The Organization determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets – operating and lease liability – operating in the consolidated balance sheets.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right-of-use assets on the consolidated balance sheets.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Organization has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities. The Organization has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

Assets Held on Behalf of Others

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

Patient and Resident Service Revenue

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

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

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Sliding Fee Adjustments (Charity Care)

The Organization has a policy of providing care to uninsured patients who meet certain criteria under its policy at amounts less than its established rates, or without charge. However, all patients are requested to pay a minimum fee for each visit, although no patient is denied services because of inability to pay. Since management does not expect payment for this care, the services that are discounted from the established rates are excluded from revenue. During the years ended December 31, 2025 and 2024, the Organization provided approximately $1,364,000 and $1,305,000, respectively, of discounted services under this policy based on gross charges.

Grant Revenue

The Organization receives support from various federal, state, and local government agencies. Grant receipts are subject to restrictions on the use of funds placed by the grantor. The Organization administers these funds in accordance with grantor guidelines. Grant revenue under cost reimbursement arrangements is recognized as expenses are incurred. Amounts incurred but not yet reimbursed are reported as grant receivables. Amounts received but not yet earned are reported as deferred revenue.

Contributions

The Organization reports contributions of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, then net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of operations as net assets released from restrictions.

Advance Fees and Resident Services

The Organization offers residents in the residential areas of the facility a life care plan that requires an advance fee. Life plan contracts generally contain two payment streams: the advance fee and the monthly fees. Both the advance fee and monthly fees are specified in the contract with the resident. The advance fee is a fixed amount paid at the time the contract is signed and the resident takes occupancy that is either 50% or 90% refundable.

Refundable advance fees are those advance fees that are guaranteed to be refunded regardless of when the contract is terminated. The refundable portion of advance fees is not included in the transaction price, as the Organization expects to refund those amounts to residents. Nonrefundable advance fees are those advance fees that are nonrefundable at contract inception and are considered part of the transaction price.

Nonrefundable advance fees paid by a resident upon admission are recorded as deferred revenue. Nonrefundable advance fees are amortized into resident service revenue over a time-based measure, which is the resident's life expectancy or joint and last survivor life expectancy of each pair of residents occupying the same unit. Upon the demise of a resident, the amount of unamortized advance fees is recognized as resident service income.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advance Fees and Resident Services (Continued)

The state of Colorado requires that the Organization refund the residents refundable fees within 180 days of termination of the agreement and not just on re-occupancy of the unit. When a refund is due to a resident's estate and the unit has been re-occupied within 180 days, the Organization will refund the balance owed to the estate in less than 180 days. At December 31, 2025 and 2024, the amount of advance fees subject to refund in accordance with this Colorado statute is $2,890,700 and $3,099,500, respectively. Although advance fees are subject to refund, the Organization has not reclassified any amount as a current liability at December 31, 2025 and 2024 since the Organization has historically experienced negligible actual refunds.

Obligation to Provide Future Services

The Organization calculates the present value of the net cost of future services and the use of facilities to be provided to current residents and compares that amount with the balance of deferred revenue from advance fees. If the present value of the net cost of future services and the use of facilities exceeds the deferred revenue from advance fees, a liability is recorded (obligation to provide future services and use of facilities) with the corresponding charge to income. The Organization has determined that no liability for such obligations existed at December 31, 2025 and 2024.

Employee Retention Credit

In response to the economic impact of the COVID-19 pandemic, Congress introduced the Employee Retention Credit (ERC). The ERC is a refundable payroll tax credit available to eligible employers who meet either the gross receipts test or a government mandate test. The tax credit is equal to a specified percentage of qualified wages paid to employees subject to certain limits. The Organization filed for and received approximately $3,050,000 in ERC through the Internal Revenue Service (IRS) and accounts for the ERC as a government grant under Accounting Standards Codification (ASC) 958-605, *Not-for-Profit Entities: Revenue Recognition*. Under ASC 958-605, the ERC may be recognized once the conditions attached to the grant have been substantially met. Laws and regulations concerning the ERC are complex and subject to varying interpretation. These credits may be subject to retroactive audit and review. Upon further evaluation of eligibility, the Organization determined conditions were not met and elected to return the funds received under the ERC Voluntary Disclosure Program where the Internal Revenue Service allowed employers to repay funds without penalty. During 2024 the Organization paid back 80% in compliance with the ERC Voluntary Disclosure Program. The remaining portion, including interest earned of approximately $768,000, is reported as other income in the accompanying consolidated statements of operations. There is a possibility that upon subsequent review the IRS could reach a different conclusion regarding the Organization's eligibility to retain the ERC credits received. That could result in repayment of the credits, interest, and potential penalties. The amount of liability, if any, from potential ineligibility cannot be determined with certainty.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributed Nonfinancial Assets

In addition to receiving cash contributions, the Organization receives contributed nonfinancial assets from various donors. It is the policy of the Organization to record the estimated fair value of certain contributed nonfinancial assets as an expense in its consolidated financial statements, and similarly increase contribution revenue by the same amount. For the years ended December 31, 2025 and 2024, approximately $137,000 are made up of donated vaccines and supplies. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions. Vaccines and supplies are valued based on a comparable product purchase price.

Deficit of Revenues Over Expenses

The consolidated statements of operations include deficit of revenues over expenses. Changes in net assets without donor restrictions which are excluded from deficit of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments other than trading securities and contributions of long-lived assets.

Tax-Exempt Status

The Organization has received notice of exemption of income tax from the IRS under Section 501(c)(3) of the federal Internal Revenue Code. The Organization is not a private foundation, and contributions to the Organization qualify as charitable tax deductions by the contributor.

The Organization follows the accounting standards regarding the recognition and measurement of uncertain tax provisions. The implementation of the accounting standards regarding uncertain tax provisions had no impact on the Organization’s consolidated financial statements.

The Organization is not aware of any activities that would jeopardize its tax-exempt status or aware of any activities that are subject to tax on unrelated business income or excise or other taxes.

Fair Value

The Organization follows accounting standards regarding the fair value measurement of financial assets and liabilities. Fair value measurement applies to reported balances that are required or permitted to be measured at fair value under an existing accounting standard. The Organization emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value (Continued)

The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The Organization has a policy to elect fair value for the initial and subsequent measurement for certain financial assets and liabilities on an instrument-by-instrument basis. The Organization has not elected to measure any existing financial instruments at fair value, however, may elect to measure newly acquired financial instruments at fair value in the future.

New Accounting Pronouncements – ASU 2025-05

For the year ended December 31, 2025, management has elected to early adopt ASU No. 2025-05, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*. This standard introduces a practical expedient that allows entities to assume current conditions persist over the life of the asset, and a policy election permitting consideration of post-balance sheet cash collections when estimating expected credit losses.

As a result for the year ended December 31, 2025, the Organization no longer incorporates forward-looking macroeconomic forecasts into its credit loss estimates for outstanding accounts receivable and contract assets. Instead, the Organization relies on historical loss experience and current conditions as of the reporting date. Additionally, the Organization considers subsequent cash collections received prior to issuance of the consolidated financial statements when evaluating collectability.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassifications had no effect on the previously reported net assets or changes in net assets.

Subsequent Events

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 24, 2026, the date the consolidated financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

The following table represents financial assets available for general expenditure within one year on December 31:

	2025	2024
Financial Assets at Year-End:		
Cash and Cash Equivalents	$ 2,797,605	$ 2,672,765
Patient and Resident Accounts Receivable	1,161,680	1,608,677
Grants and Other Receivables	812,944	823,114
Pledges Receivable, Current	2,500	4,000
Total Financial Assets	$ 4,774,729	$ 5,108,556

The Organization has certain donor-restricted assets limited to use which are available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been included in the qualitative information above for financial assets to meet general expenditures within one year. Additionally, the Organization has a line of credit available in the amount of $500,000, as discussed in Note 8.

NOTE 3 PROPERTY AND EQUIPMENT, NET

The cost and accumulated depreciation of property and equipment were as follows as of December 31:

	2025	2024
Land	$ 7,797,817	$ 7,797,817
Building and Building Improvements	32,922,002	32,630,391
Furniture, Equipment, and Vehicles	1,665,065	1,691,595
Construction in Progress	12,826	49,450
Total	42,397,710	42,169,253
Less: Accumulated Depreciation	(6,681,813)	(5,457,453)
Property and Equipment, Net	$ 35,715,897	$ 36,711,800

NOTE 4 BENEFICIAL INTEREST IN ASSETS OF YAMPA VALLEY COMMUNITY FOUNDATION

The Organization has transferred assets to Yampa Valley Community Foundation (the Foundation) and retained a beneficial interest in those assets. In addition, the Organization is the beneficiary of donations made to the Foundation on the Organization's behalf. The Foundation makes all of the investment decisions for the funds. The beneficial interest consists of the following funds:

	2025	2024
Hospice Services of Northwest Colorado:		
Donor Advised Fund	$ 34,813	$ 30,965
Northwest Colorado Health Fund:		
Donor Advised Fund	139,005	123,641
The Haven Fund:		
Donor Advised Fund	71,851	63,909
The Casey Resident Assistance Fund:		
Donor Advised Fund	90,876	88,478
Northwest Colorado Health Endowment Fund:		
Board-Designated Endowment Funds	291,432	215,810
Donor-Restricted Endowment Funds	370,059	360,184
Total Northwest Colorado Health Endowment Fund	661,491	575,994
Retained Beneficial Interest - End of Year	$ 998,036	$ 882,987

The Foundation may distribute earnings to the Organization of the funds based on the fund agreement. Any undistributed earnings remain in the funds and without donor restrictions as they are for the purpose of funding ongoing operations of the Organization. Transfers of assets and earnings between the Organization and the Foundation are recognized as increases or decreases in the beneficial interest.

NOTE 5 PATIENT AND RESIDENT SERVICE REVENUE

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

NOTE 5 PATIENT AND RESIDENT SERVICE REVENUE (CONTINUED)

Resident care service revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for standing ready to provide services to the life care residents. The nonrefundable portion of the entrance payment is recognized straight-line over the expected life of the resident(s), which is when the performance obligation is satisfied. The monthly service fees are billed monthly and are recognized as performance obligations are satisfied.

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

The opening and closing contract asset balances were as follows:

	Patient Receivables
Balance as of January 1, 2024	$ 959,069
Balance as of December 31, 2024	1,608,677
Balance as of December 31, 2025	1,161,680

The opening and closing contract liability balances were as follows:

	Contract Liability
Balance as of January 1, 2024	$ -
Balance as of December 31, 2024	124,989
Balance as of December 31, 2025	95,838

NOTE 5 PATIENT AND RESIDENT SERVICE REVENUE (CONTINUED)

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

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

Medicare

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

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

The Organization's Medicare hospice revenue is subject to an annual per-beneficiary limit (Medicare cap). The Medicare cap limits total Medicare payments to each of the Organization's hospice licenses to a specified dollar amount multiplied by the prorated number of Medicare beneficiaries receiving services from that provider during the cap year. Prorated beneficiaries are calculated by determining the ratio of the hospice services provided by the Organization to each beneficiary as a proportion of the total past, current and future hospice services that beneficiary receives from any hospice provider. The cap year ends on September 30 each year. The Organization monitors its license carefully, and at December 31, 2025 and 2024, there was no estimated cap liability.

Services rendered to Medicare program beneficiaries for skilled nursing are reimbursed under a prospective methodology and no additional settlement will be made on the difference between the per diem rates paid and actual cost.

NOTE 5 PATIENT AND RESIDENT SERVICE REVENUE (CONTINUED)

Medicaid

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

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

Nursing home resident services rendered to Medicaid program beneficiaries are reimbursed under a retrospective cost-reimbursement methodology, adjusted by case mix data. The Company is reimbursed at a fixed rate based on the unaudited prior year annual cost report submitted by the Company to the state of Colorado, Department of Health Care Policy and Finance. Subsequent audit adjustments, if any, are incorporated into the following year's rate.

Other

The Organization has also entered into payment agreements with other commercial insurance carriers. The basis for reimbursement under these agreements includes discounts from established charges and prospectively determined rates.

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

NOTE 5 PATIENT AND RESIDENT SERVICE REVENUE (CONTINUED)

Settlements with third-party payors for retroactive adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and the Organization's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations. Adjustments arising from a change in the transaction price were not significant in 2025 or 2024.

Generally patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Organization also provides services to uninsured patients, and offers those uninsured patients a discount, either by policy or law, from standard charges. The Organization estimates the transaction price for patients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any explicit price concessions, discounts, and implicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change. Additional patient service revenue recognized due to changes in its estimates of implicit price concessions, discounts, and explicit price concessions were not considered material for the years ended December 31, 2025 and 2024.

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

Patients who meet the Organization's criteria for charity care are provided care without charge or at amounts less than established rates. Such amounts determined to qualify as charity care are not reported as patient service revenue.

NOTE 5 PATIENT AND RESIDENT SERVICE REVENUE (CONTINUED)

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

- Payors (for example, Medicare, Medicaid, managed care or other insurance, patient) have different reimbursement/payment methodologies
- Length of the patient's service
- Method of reimbursement (fee for service or capitation)
- Organization's line of business that provided the service (for example, medical, dental, behavioral health, home health, hospice, skilled nursing, etc.)

The Organization has elected the practical expedient allowed under FASB ASC 606-10-32-18 and does not adjust the promised amount of consideration from patients and third-party payors for the effects of a significant financing component due to the Organization's expectation that the period between the time the service is provided to a patient and the time that the patient or a third-party payor pays for that service will be one year or less. However, the Organization does, in certain instances, enter into payment agreements with patients that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the contract.

The Organization has applied the practical expedient provided by FASB ASC 340-40-25-4 and all incremental customer contract acquisition costs are expensed as they are incurred as the amortization period of the asset that the Organization otherwise would have recognized is one year or less in duration.

For the years ended December 31, 2025 and 2024, the Organization recognized patient and resident service revenues of $23,011,715 and $11,025,948, respectively, from goods and services that transfer to the patient or resident at a point in time.

NOTE 6 LONG-TERM DEBT

	2025	2024
Note Payable (A)	$ 559,858	$ 615,046
Note Payable (B)	309,602	318,994
Note Payable (C)	566,913	583,584
Note Payable (D)	10,000,000	10,000,000
Subtotal	11,436,373	11,517,624
Less: Unamortized Deferred Financing Costs	-	(9,358)
Less: Current Maturities	(83,607)	(81,612)
Total	$ 11,352,766	$ 11,426,654

NOTE 6 LONG-TERM DEBT (CONTINUED)

(A) In 2014, the Organization obtained a note payable in the original amount of $1,082,474 with a due date of June 1, 2034; monthly payments of $6,403 each, including interest at a fixed rate of 3.65%; secured by the Organization's property.

(B) In 2018, the Organization obtained a note payable in the original amount of $682,000 with a due date of March 27, 2048; monthly payments of $3,063 each, including interest at a fixed rate of 3.50%; secured by the Organization's property.

(C) In 2018, the Organization obtained a note payable in the original amount of $375,000 with a due date of March 15, 2048; monthly payments of $1,632 each, including interest at a fixed rate of 3.25%; secured by the Organization's property.

(D) In 2024, the Organization obtained a note payable in the original amount of $10,000,000 with a due date of November 30, 2039. The note payable bears interest at a fixed rate of 4.03% and has monthly interest-only payments due ranging from $31,344 to $34,702 through October 2029. Starting November 1, 2029, principal and interest payments monthly payments are due of $53,260. The remaining balloon payment of approximately $7,133,000 is due on November 30, 2039. The note is secured by the Organization's property.

Aggregate annual maturities of long-term debt at December 31, 2025:

Year Ending December 31,	Amount
2026	$ 83,607
2027	87,140
2028	90,291
2029	131,943
2030	333,577
Thereafter	10,709,815
Total	$ 11,436,373

Restrictive Covenants

The USDA loan agreements require the Organization to make monthly deposits to a debt service reserve account. As of December 31, 2025 and 2024 the debt service reserve account balances were $46,677 and $39,988, respectively. The debt service reserve accounts are included in cash and cash equivalents on the consolidated balance sheets. Management is not aware of any noncompliance with the debt service reserve requirements as of December 31, 2025.

NOTE 7 LETTER OF CREDIT

The Organization maintains a letter of credit with a financial institution in the amount of $27,150 with an expiration date of May 16, 2026. Interest accrues at a fixed rate of 3.85% on any outstanding balances. The Organization renewed this letter on May 14, 2026 in the amount of $13,137. The renewed letter expires May 16, 2028.

NOTE 7 LETTER OF CREDIT (CONTINUED)

The letter of credit is secured by certificates of deposit held with the financial institution. The letter of credit is maintained to meet unemployment coverage requirements with the state of Colorado. At December 31, 2025 and 2024, there were no amounts outstanding.

NOTE 8 LINE OF CREDIT

The Organization maintains a line of credit with a financial institution in the amount of $500,000 with an expiration date of July 2, 2026. Interest accrues at a variable interest rate based on the Wall Street Prime Rate plus 0.25% (7.00% as of December 31, 2025). The line of credit is secured by real property. The balance on the line of credit was $-0- as of December 31, 2025 and 2024.

NOTE 9 NET ASSETS

Net Assets With Donor Restrictions

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

	2025	2024
Subject to Expenditure for Specified Purpose:		
Prevention Services	$ 204,198	$ 115,445
Community Health Center	121,740	45,554
Administration and Other	329,981	191,252
Home Health and Hospice	47,342	158,201
Casey's Pond Resident Assistance Fund	90,876	-
Haven	2,000	-
Subject to the Passage of Time:		
Casey's Pond building purpose (A)	14,100,000	15,100,000
Long-term housing (B)	2,500,000	2,500,000
Not Subject to Spending Policy or Appropriation:		
Beneficial Interest in Assets Held by Yampa Valley Community Foundation	370,059	360,184
Total Donor-Restricted Net Assets	$ 17,766,196	$ 18,470,636

(A) In 2024, the Organization received a $15,100,000 grant for the acquisition of Casey's Pond as further described in Note 15. The contribution requires the property to be utilized as a senior living community. Should the Organization no longer operate the property as a senior living community or sell the property, grant funds are required to be returned to the grantor reduced by $1,000,000 for each full year the property was in operations. The requirement to return the funds is limited to the extent that net proceeds are available on the sale of property.

NOTE 9 NET ASSETS (CONTINUED)

(B) In 2024, the Organization received a $2,500,000 grant for the acquisition of Casey's Pond as further described in Note 15. The contribution contains a restrictive covenant that 15 units be leased to individuals employed by Casey's Pond or by the Organization. Should the Organization decide to use the units for other purposes, the grant funds have to be repaid on a per unit basis. The repayment structure is 100% in the first five years, 75% in years six – ten, 50% in years 11 – 15, and 25% in years 16 – 20. At the end of 20 years no repayment is due.

Net Assets Released from Restrictions

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

	2025	2024
Purpose Restrictions Accomplished:		
Prevention Services	$ 476,413	$ 322,415
Community Health Center	43,317	61,153
Administration and Other	386,266	162,877
Home Health and Hospice	71,238	349,281
Haven	-	23,411
Casey's Pond	1,000,000	-
Total Net Assets Released from Restrictions	$ 1,977,234	$ 919,137

Net Assets Without Donor Restrictions

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

	2025	2024
Board-Designated Special Projects Fund	$ 264,694	$ 243,084
Board-Designated Endowment Fund	$ 363,283	$ 279,719

NOTE 10 FUNCTIONAL EXPENSES

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

	2025								
	Health Care Services						Support Services		
	Prevention Service	Home Services	Community Health Center	The Haven	Casey's Pond	Total	General and Administrative	Fundraising	Total
Salaries and Benefits	$ 1,170,964	$ 1,649,006	$ 5,959,018	$ 1,040,831	$ 4,819,385	$ 14,639,204	$ 2,001,051	$ 15,340	$ 16,655,595
Contract and Professional Services	24,993	95,168	653,234	127	6,183,797	6,957,319	357,455	103	7,314,877
Supplies	56,608	53,192	670,631	104,355	150,828	1,035,614	41,689	36,913	1,114,216
Other Operating Expenses	137,435	180,253	440,314	53,158	3,572,630	4,383,790	1,468,873	6,723	5,859,386
Depreciation and Amortization	-	-	-	-	985,981	985,981	452,555	-	1,438,536
Interest Expense	-	-	-	-	416,829	416,829	52,033	-	468,862
Contributed Nonfinancial Assets	7,080	-	118,373	2,700	-	128,153	-	8,859	137,012
Total Expenses	$ 1,397,080	$ 1,977,619	$ 7,841,570	$ 1,201,172	$ 16,129,450	$ 28,546,891	$ 4,373,656	$ 67,937	$ 32,988,484

	2024								
	Health Care Services						Support Services		
	Prevention Service	Home Services	Community Health Center	The Haven	Casey's Pond	Total	General and Administrative	Fundraising	Total
Salaries and Benefits	$ 1,106,531	$ 1,642,119	$ 5,630,679	$ 982,994	$ 1,004,763	$ 10,367,086	$ 2,010,032	$ 8,289	$ 12,385,407
Contract and Professional Services	67,002	214,342	635,298	19,300	1,427,718	2,363,660	505,611	-	2,869,271
Supplies	53,138	80,214	516,679	93,923	43,233	787,187	51,664	8,112	846,963
Other Operating Expenses	135,120	163,077	430,371	56,257	624,763	1,409,588	1,599,371	12,529	3,021,488
Depreciation and Amortization	-	-	-	-	-	-	724,008	-	724,008
Interest Expense	-	-	-	-	-	-	53,113	-	53,113
Contributed Nonfinancial Assets	114,975	-	-	10,683	-	125,658	-	11,372	137,030
Total Expenses	$ 1,476,766	$ 2,099,752	$ 7,213,027	$ 1,163,157	$ 3,100,477	$ 15,053,179	$ 4,943,799	$ 40,302	$ 20,037,280

NOTE 11 LEASES

The Organization's operating lease consists of real estate under a long-term, noncancelable lease agreement. The Organization determines if an arrangement is a lease at contract inception. Right-of-use assets and operating lease liabilities are recognized based on the present value of the lease payments over the lease term at the commencement date. Because most of the Organization's leases do not provide an implicit rate of return, the Organization uses a risk-free rate based on the daily treasury yield curve at lease commencement in determining the present value of lease payments.

Most leases include one of more options to renew, with renewal terms that can extend the lease term for an additional month to another year. The exercise of such lease renewal options is at that Organization's sole discretion. For purposes of calculating operating lease liabilities, lease terms include options to extend of terminate the lease when it is reasonably certain that the Organization will exercise the option.

Leases with a term of 12 months or less at commencement are not recorded on the consolidated balance sheets. Lease expense for these arrangements is recognized on a straight-line basis over the lease term. The Organization has elected to not separate nonlease components from lease components and instead accounts for each separate lease component and the separate nonlease component as a single lease component.

Lease expense for lease payments is recognized on a straight-line basis over the lease term. Operating lease expense for the years ending December 31, 2025 and 2024 was $84,027. As of December 31, 2025 and 2024, the remaining lease term was 1.3 and 2.3 years, respectively, and the discount rate was 2.92%.

Future minimum operating lease payments and reconciliation to the consolidated balance sheet at December 31, 2025, are as follows:

Year Ending December 31,	Amount
2026	$ 93,280
2027	31,680
Total Future Operating Lease Payments	124,960
Less: Amounts Representing Interest	(2,572)
Total Operating Lease Liabilities	$ 122,388

NOTE 12 EMPLOYEE RETIREMENT PLAN

The Organization has a 403(b) retirement savings plan (the Plan) covering all employees. Employees are immediately eligible to make elective deferrals to the Plan. Prior to July 1, 2019, employees were immediately vested 100% in all contributions. The Plan contains a three-year vesting schedule for employer-matching and profit-sharing contributions.

NOTE 12 EMPLOYEE RETIREMENT PLAN (CONTINUED)

Effective October 1, 2024, the Organization created a 401(k) retirement savings plan (the 401(k) Plan) for employees at Casey's Pond as a result of the acquisition; see Note 16. Employees are eligible to make elective deferrals after two months of service. The 401(k) Plan contains a six-year vesting schedule for employer-matching and profit-sharing contributions.

Both plans allow the employer to vary the amount of the employer contributions during the plan year, and the Organization's profit-sharing contributions are discretionary as determined by the Organization's board of directors. During 2025 and 2024, the Organization elected to make matching contributions of 100% of employees' salary deferral amounts on the first 3% of employees' compensation. For the years ended December 31, 2025 and 2024, the Organization had total retirement plan contribution expenses of approximately $250,000 and $169,000, respectively.

NOTE 13 SIGNIFICANT CONCENTRATIONS AND CREDIT RISK

Government Funding

Approximately 51% and 32% of the Organization's total unrestricted support and revenue for the years ended December 31, 2025 and 2024, respectively, was generated from either government sponsored health programs or government funded grant programs. The programs are dependent upon continued funding from these government agencies and the legislative acts that impact the programs.

Patient Receivables

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

	2025	2024
Medicare	30 %	33 %
Medicaid	27	50
Other Third-Party Payors	12	6
Private Pay	31	11
Total	100 %	100 %

NOTE 14 FAIR VALUE MEASUREMENTS

The following tables present the fair value hierarchy for the balances of the assets of the Organization measured at fair value on a recurring basis as of December 31:

		Fair Value Measurements at Report Date Using		
December 31, 2025	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Beneficial Interest in Assets Held by Yampa Valley Community Foundation	$ 998,036	$ -	$ 998,036	$ -

		Fair Value Measurements at Report Date Using		
December 31, 2024	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Beneficial Interest in Assets Held by Yampa Valley Community Foundation	$ 882,987	$ -	$ 882,987	$ -

Beneficial Interest in Assets Held by Yampa Valley Community Foundation

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

NOTE 15 ACQUISITION

On October 1, 2024, the Organization acquired certain assets and assumed certain liabilities related to a senior living community known as Casey's Pond. The transaction was accounted for as an asset acquisition as substantially all of the fair value of the gross assets acquired was concentrated in the land and building. The acquisition was driven by a shared commitment to preserving access to high quality senior care in the Yampa Valley, following financial challenges that placed the community at risk of closure. By integrating Casey's Pond into its nonprofit healthcare network, the Organization can leverage its existing infrastructure and community partnerships to stabilize operations and ensure continuity of care for residents.

The total purchase price was $27.6 million, funded by two restricted grants of $15.1 million and $2.5 million (see Note 9) and debt financing of $10 million (see Note 6). In connection with the acquisition, the Organization assumed approximately $3.4 million of liabilities related to refundable and nonrefundable entrance fees under resident contracts. The purchase price and related costs were allocated to the acquired assets based on their relative fair values.

NOTE 15 ACQUISITION (CONTINUED)

The following table summarizes the amounts of the assets acquired and liabilities assumed recognized at October 1, 2024:

Recognized Amounts of Identifiable Assets Acquired and Liabilities Assumed:	
Entrance Fee Deposit	$ 1,898,492
Prepaid Expenses	113,391
Property, Plant, and Equipment	29,188,734
Current Liabilities	193,307
Entrance Fee Liabilities	3,407,310
Total	$ 34,801,234

NOTE 16 COMMITMENTS AND CONTINGENCIES

Professional Liability Coverage and Claims

The Organization pays fixed premiums for annual professional liability insurance coverage under an occurrence-based policy while the Organization pays premiums under a claims-made policy. There were no claims outstanding at December 31, 2025 and the Organization is not aware of any unasserted claims or unreported incidents that are expected to exceed malpractice insurance coverage limits.

The Community Health Center is also covered under the provision of the Federal Tort Claims Act (FTCA) for malpractice. The FTCA is a government-funded program which allows community health centers and other qualified providers to be covered for malpractice.

Self-Insurance

The Organization has a partially self-insured plan for employee health insurance benefits which is managed by a third-party administrator. The Organization makes regular payments to the plan to pay estimated claims. The Organization has purchased insurance that limits its exposure for individual claims and that limits its aggregate exposure to $40,000 per covered person, per year. The liability on the plan at December 31, 2025 and 2024 was approximately $195,000 and $241,000, respectively, and is included in accrued payroll and related benefits on the consolidated balance sheets.

The reserve for incurred but not reported expenses is estimated using historical data. Those estimates are subject to the effects of trends in claims. The estimates are continually reviewed and adjustments are recorded as experience develops or new information becomes known. Although variability is inherent in self-insured liability reserve estimates, management believes the reserves for losses and loss expenses are adequate based on information currently known. It is reasonably possible that this estimate could change materially in the near term.

NOTE 16 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Grants

The Organization has received federal grants for specific purposes that are subject to review and audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a review or audit by the grantor may become a liability of the Organization. Such amounts will be recognized in the period they become known.

Risk Management

The Organization is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. This coverage has not changed significantly from the previous year.

Health Care Legislation and Regulation

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violation of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed.

Management believes that the Organization is in substantial compliance with fraud and abuse as well as other applicable government laws and regulations. While no regulatory inquiries have been made, compliance with such laws and regulations is subject to government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

Other

In the normal course of business, there could be various outstanding contingent liabilities such as, but not limited to, the following:

- Lawsuits alleging negligence in care
- Environmental pollution
- Violation of regulatory body’s rules and regulations
- Violation of federal and/or state laws

No contingent liabilities such as, but not limited to those described above, are reflected in the accompanying financial statements. No such liabilities have been asserted and, therefore, no estimate of loss, if any, is determinable.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND REPORT ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Northwest Colorado Visiting Nurse Association and Affiliate
dba: Northwest Colorado Health
Steamboat Springs, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Northwest Colorado Visiting Nurse Association and Affiliate dba: Northwest Colorado Health (the Organization), which comprise the consolidated balance sheet as of December 31, 2025, and the related consolidated statements of operations, changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 24, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free of 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 consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Denver, Colorado
June 24, 2026

CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Northwest Colorado Visiting Nurse Association and Affiliate
dba: Northwest Colorado Health
Steamboat Springs, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Northwest Colorado Visiting Nurse Association and Affiliate dba: Northwest Colorado Health's (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2025. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2025-001. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identified a deficiency in internal control over compliance that we consider to be a significant deficiency.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Board of Directors
Northwest Colorado Visiting Nurse Association and Affiliate
dba: Northwest Colorado Health

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

CliftonLarsonAllen LLP

Denver, Colorado
June 24, 2026

NORTHWEST COLORADO VISITING NURSE ASSOCIATION AND AFFILIATE
DBA: NORTHWEST COLORADO HEALTH
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2025

	Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Agency/ Pass-Through Identifying Number	Federal Expenditures
	U.S. Department of Health and Human Services			
	Direct Programs:			
	Health Center Cluster			
*	Consolidated Health Center, Affordable Care Act for New and Expanded Services	93.224 and 93.527	H80CS10610	$ 2,543,388
	Congressionally Directed Spending	93.493	90CFPC0025	55,550
	Pass-Through Program From:			
	Associated Governments of Northwest Colorado			
	Special Programs for the Aging, Title III, Part D Disease Prevention and Health Promotion Services	93.043	18-11-10	8,667
	Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	18-11-10	3,120
	Colorado Department of Public Health and Environment			
	Family Planning Services	93.217	L22FPP	37,093
	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	L21WWC 5781	61,579
	U.S. Department of Agriculture			
	Passed through the Colorado Department of Public Health and Environment			
	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	22 FHLA 104012	148,135
	Community Facility Loans and Grants	10.766	N/A	902,578
	Total Expenditures of Federal Awards			$ 3,760,110

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

This note is included to meet the requirements of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) requirement that the schedule of expenditures of federal awards (the Schedule) include notes that describe the significant accounting policies used in preparing the Schedule. The accompanying schedule is prepared on the accrual basis of accounting and includes the federal award activity of the Organization under programs of the federal government for the year ended December 31, 2025. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance. The Organization has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization. Expenditures reported on the Schedule consist of the beginning of the year outstanding loan balances of the Organization's USDA direct loans. There were no advances on the loans in 2025. The Organization's outstanding loan balances as of December 31, 2025 was $876,515.

* - Major federal program
N/A - Not available

NORTHWEST COLORADO VISITING NURSE ASSOCIATION
AND AFFILIATE DBA: NORTHWEST COLORADO HEALTH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2025

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
   - Material weakness(es) identified? _____ yes ___x___ no
   - Significant deficiency(ies) identified? _____ yes ___x___ none reported
3. Noncompliance material to financial statements noted? _____ yes ___x___ no

Federal Awards

1. Internal control over major federal programs:
   - Material weakness(es) identified? _____ yes ___x___ no
   - Significant deficiency(ies) identified? ___x___ yes _____ none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ___x___ yes _____ no

Identification of Major Federal Programs

Assistance Listing Number(s)	Name of Federal Program or Cluster
93.224 & 93.527	Health Center Cluster

Dollar threshold used to distinguish between Type A and Type B programs: $ 1,000,000

Auditee qualified as low-risk auditee? _____ yes ___x___ no

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

2025 – 001 Special Tests: Application of Sliding Fee Discount

Federal Agency: U.S. Department of Health and Human Services

Federal Program Name: Consolidated Health Centers Grant

Assistance Listing Number: 93.224 and 93.527

Award Period: 1/1/25 – 12/31/25

Type of Finding: Significant Deficiency in Internal Control over Compliance

Criteria or specific Requirement

Per Title 42 Chapter 1 Subchapter D Section 51c303(f), "Health centers must have a schedule of fees or payments for the provision of their health services consistent with locally prevailing rates or charges designed to cover their reasonable costs of operation. They are also required to have a corresponding schedule of discounts applied and adjusted on the basis of the patient's ability to pay."

Condition and Context

During our testing of forty sliding fee discounts for health center patients qualifying for reduced charge visits, we identified one visit where the Organization applied the incorrect sliding fee discount.

Effect

Potential that a patient would not receive the appropriate sliding fee discount or may receive a discount when they have not applied for one.

Questioned costs

None identified.

Cause

The updated sliding fee application in place at the date of service of the finding was not properly entered into the system due to staffing shortages. Thus, the old application and slide was applied to the visit.

Recommendation

We recommend the Organization to review internal controls in regards to the determination, recording, and monitoring of the sliding fee process to ensure that appropriate sliding fee applications are retained with the patient's information.

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2025 – 001 Special Tests: Application of Sliding Fee Discount (Continued)

Views of Responsible Officials

Management is in agreement with the finding. The Organization continues to make improvements to processes and procedures to ensure the accurate documentation and application of sliding fee discounts.

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