



# Weld Community Foundation

(A Not-For-Profit Corporation)

FINANCIAL Report

Years Ended December 31, 2025 and 2024



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## Independent Auditors' Report

Board of Directors  
Weld Community Foundation  
Greeley, Colorado

### **Opinions**

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

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

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with GAAS, we:

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

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

*Anderson & Whitney, P.C.*

May 8, 2026

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# WELD COMMUNITY FOUNDATION

## BALANCE SHEETS

December 31	2025	2024
<u>ASSETS</u>		
Cash and cash equivalents	\$ 523,909	\$ 687,085
Receivables:		
Contributions	-	-
Interest	113,781	170,442
Investments, at fair value	67,176,295	62,815,093
Property and equipment, net	6,942	9,515
Other assets	4,823	3,375
Right of use asset	20,855	52,137
<b>TOTAL ASSETS</b>	<b>\$ 67,846,605</b>	<b>\$ 63,737,647</b>
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Accounts payable	\$ 29,691	\$ 21,641
Grants payable	47,500	57,900
Scholarships payable	844,722	852,144
Annuity obligations	13,036	13,694
Deferred revenue	3,450	6,850
Lease liability	22,994	55,171
Assets held for agency funds	2,271,470	2,228,489
<b>Total Liabilities</b>	<b>3,232,863</b>	<b>3,235,889</b>
Net Assets:		
Without donor restrictions	4,415,680	4,097,683
With donor restrictions	60,198,062	56,404,075
<b>Total Net Assets</b>	<b>64,613,742</b>	<b>60,501,758</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 67,846,605</b>	<b>\$ 63,737,647</b>

See Accompanying Notes to Financial Statements.

# WELD COMMUNITY FOUNDATION

## STATEMENTS OF ACTIVITIES

Year Ended December 31, 2025	Without Donor Restrictions	With Donor Restrictions	Totals
Revenue:			
Contributions	\$ 196,985	\$ 2,869,897	\$ 3,066,882
Contributed goods and services	1,930	17,606	19,536
Net investment earnings	326,767	5,169,690	5,496,457
Oil and gas royalties	-	634,545	634,545
Administration fees	792,254	(742,794)	49,460
Other	405	(754)	(349)
Net assets released from restrictions	4,184,983	(4,184,983)	-
<b>Total Revenue</b>	<b>5,503,324</b>	<b>3,763,207</b>	<b>9,266,531</b>
Expenses:			
Programs	4,493,379	-	4,493,379
Management and general	384,539	-	384,539
Fundraising	276,629	-	276,629
<b>Total Expenses</b>	<b>5,154,547</b>	<b>-</b>	<b>5,154,547</b>
Change in Net Assets	348,777	3,763,207	4,111,984
Net Interfund Transfers	(30,780)	30,780	-
Net Assets, Beginning of Year	4,097,683	56,404,075	60,501,758
<b>Net Assets, End of Year</b>	<b>\$ 4,415,680</b>	<b>\$ 60,198,062</b>	<b>\$ 64,613,742</b>

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# WELD COMMUNITY FOUNDATION

## STATEMENTS OF ACTIVITIES - Continued

Year Ended December 31, 2024	Without Donor Restrictions	With Donor Restrictions	Totals
Revenue:			
Contributions	\$ 81,038	\$ 2,757,463	\$ 2,838,501
Contributed goods and services	2,485	24,789	27,274
Net investment earnings	279,652	4,099,662	4,379,314
Oil and gas royalties	-	766,587	766,587
Administration fees	735,305	(687,914)	47,391
Other	584	18,570	19,154
Net assets released from restrictions	3,561,958	(3,561,958)	-
<b>Total Revenue</b>	<b>4,661,022</b>	<b>3,417,199</b>	<b>8,078,221</b>
Expenses:			
Programs	3,771,709	-	3,771,709
Management and general	333,294	-	333,294
Fundraising	164,142	-	164,142
<b>Total Expenses</b>	<b>4,269,145</b>	<b>-</b>	<b>4,269,145</b>
Change in Net Assets	391,877	3,417,199	3,809,076
Net Interfund Transfers	(47,518)	47,518	-
Net Assets, Beginning of Year	3,753,324	52,939,358	56,692,682
<b>Net Assets, End of Year</b>	<b>\$ 4,097,683</b>	<b>\$ 56,404,075</b>	<b>\$ 60,501,758</b>

See Accompanying Notes to Financial Statements.

## WELD COMMUNITY FOUNDATION

### STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended December 31, 2025	Program Services	Management and General	Fundraising	Total
Grants Expense	\$ 3,520,566	\$ -	\$ -	\$ 3,520,566
Scholarship Expense	571,083	-	-	571,083
Program Expense	146,002	-	-	146,002
Personnel Expenses	201,556	278,701	131,687	611,944
Spread the Good Initiatives	5,788	-	-	5,788
In-Kind Expense	564	30	18,942	19,536
Board/ Committees Expense	-	6,550	-	6,550
Advertising	-	-	2,000	2,000
Conference and Training	-	4,267	-	4,267
Computer Software and Support	22,363	13,763	8,246	44,372
Depreciation Expense	-	2,573	-	2,573
Development/Events	-	-	78,221	78,221
Development/Marketing	-	-	22,198	22,198
Dues/Subs/Prof Fees	2,215	3,810	2,651	8,676
Mileage	765	84	1,332	2,181
Occupancy	12,654	17,996	8,717	39,367
Office Expense/Small Equipment	-	14,127	-	14,127
Postage	-	2,258	-	2,258
Printing	-	5,359	-	5,359
Photocopying	-	1,204	-	1,204
Professional Services	8,834	32,410	1,953	43,197
Telephone	989	1,407	682	3,078
	\$ 4,493,379	\$ 384,539	\$ 276,629	\$ 5,154,547

See Accompanying Notes to Financial Statements.

## WELD COMMUNITY FOUNDATION

### STATEMENTS OF FUNCTIONAL EXPENSES - Continued

Year Ended December 31, 2024	Program Services	Management and General	Fundraising	Total
Grants Expense	\$ 2,856,061	\$ -	\$ -	\$ 2,856,061
Scholarship Expense	571,834	-	-	571,834
Program Expense	118,359	-	-	118,359
Personnel Expenses	179,001	235,198	78,695	492,894
Spread the Good Initiatives	2,975	-	-	2,975
In-Kind Expense	810	-	26,464	27,274
Board/ Committees Expense	-	4,507	-	4,507
Advertising	-	-	3,010	3,010
Conference and Training	-	4,643	-	4,643
Computer Software and Support	17,794	19,462	7,781	45,037
Depreciation Expense	-	3,731	-	3,731
Development/Events	-	-	24,217	24,217
Development/Marketing	-	-	9,198	9,198
Dues/Subs/Prof Fees	-	-	7,786	7,786
Mileage	995	329	35	1,359
Occupancy	15,621	19,731	5,755	41,107
Office Expense/Small Equipment	-	5,466	-	5,466
Postage	-	2,593	-	2,593
Printing	-	7,239	-	7,239
Photocopying	-	1,173	-	1,173
Professional Services	6,653	27,194	609	34,456
Telephone	1,606	2,028	592	4,226
	\$ 3,771,709	\$ 333,294	\$ 164,142	\$ 4,269,145

See Accompanying Notes to Financial Statements.

# WELD COMMUNITY FOUNDATION

## STATEMENTS OF CASH FLOWS

Years Ended December 31	2025	2024
Cash Flows from Operating Activities:		
Cash received from contributions and other revenue	\$ 3,346,288	\$ 1,760,963
Cash paid to suppliers and employees	(5,779,146)	(4,871,979)
Interest received	7,135	10,282
Interest paid	-	-
Cash Used by Operating Activities	(2,425,723)	(3,100,734)
Cash Flows From Investing Activities:		
Funds transferred to investments	(3,719,243)	(2,405,971)
Funds transferred from investments	5,367,438	4,565,591
Proceeds from cash surrender value of life insurance policy	171,531	-
Net Cash Provided (Used) by Investing Activities	1,819,726	2,159,620
Cash Flows From Financing Activities:		
Contributions restricted for endowments	446,021	745,215
Payments of annuity obligations	(3,200)	(3,200)
Net Cash Provided by Financing Activities	442,821	742,015
Net Decrease in Cash	(163,176)	(199,099)
Cash, Beginning of Year	687,085	886,184
Cash, End of Year	\$ 523,909	\$ 687,085

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# WELD COMMUNITY FOUNDATION

## STATEMENTS OF CASH FLOWS - Continued

Years Ended December 31	2025	2024
Cash Flows From Operating Activities:		
Change in net assets	\$ 4,111,984	\$ 3,809,076
Adjustments to reconcile changes in net assets to net cash flows from operating activities:		
Depreciation	2,573	3,731
Net realized and unrealized (gains) losses on investments	(4,114,910)	(3,233,071)
Bond premium amortization/accretion	5,295	14,658
Reinvested interest	(1,880,812)	(1,512,099)
Donated securities	(190,490)	(55,322)
Endowment contributions, including \$83,056 and \$1,246,085 of donated securities	(446,021)	(1,991,300)
Change in cash surrender value of life insurance	-	(18,131)
Actuarial change in annuities	2,531	2,709
(Increase) decrease in operating assets:		
Contributions receivable	-	83
Interest receivable	56,661	(17,485)
Right of use asset	31,282	31,283
Other assets	(1,448)	2,333
Increase (decrease) in operating liabilities:		
Accounts payable	8,050	(13,731)
Grants payable	(10,400)	2,900
Scholarship payable	(7,422)	52,997
Deferred revenue	(3,400)	5,200
Lease liability	(32,177)	(28,990)
Agency funds	42,981	(155,575)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (2,425,723)</b>	<b>\$ (3,100,734)</b>

### Supplemental cash flow information:

Proceeds from the sale of investments	\$ 125,585,400	\$ 29,718,148
Purchases of investments	125,742,601	29,741,027
Contributions of securities with donor restrictions	190,490	1,301,407
Disposal of equipment - fully depreciated	-	6,035

See Accompanying Notes to Financial Statements.

# WELD COMMUNITY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 – Summary of Significant Accounting Policies:

The accounting and reporting policies of Weld Community Foundation (the Foundation) conform to accounting principles generally accepted in the United States. The following summary of significant accounting policies is presented to assist the reader in evaluating the financial statements of the Foundation.

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#### Purpose:

The purpose of the Foundation is to develop and administer primarily endowment funds with the goal of preserving capital and enhancing value for the benefit of the Greeley and the Weld County area and its residents. The Foundation was incorporated in 1995 as the Greeley Area Foundation, Inc. In 1997, the assets of the Weld Community Foundation, a division of Community Foundation Serving Northern Colorado, were transferred to the Foundation. The Foundation operates primarily in the City of Greeley and Weld County area of Northern Colorado. As such, the revenues it receives are primarily from and dependent upon the Greeley and Weld County economy.

On December 16, 2016, the Foundation formed CFSGWC Holdings, LLC (CFSGWC) as a Colorado limited liability company under 501(c)(3) of the Internal Revenue Code. The purpose of CFSGWC is to hold gifts of real estate and other complex gifts, provided by donors which are intended to benefit the interest and purposes of the Foundation's charitable activities. The Foundation is the sole member of CFSGWC. As of December 31, 2025, there has been no activity in CFSGWC.

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#### Basis of Presentation:

The accompanying financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States. Net assets of the Foundation and changes therein are classified and reported as follows:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Foundation's management and the board of directors.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statements of Activities.

# WELD COMMUNITY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 – Summary of Significant Accounting Policies – Continued:

#### Basis of Presentation - Continued:

A fund established with a contribution from an organization for the benefit of the contributing organization is classified as an agency fund. The activity in agency funds is reported as a change in the liability - assets held for agency funds.

Fund agreements contain a variance power that, pursuant to the Foundation's Articles of Incorporation, allows the Foundation's board of directors to modify or eliminate any designation, restriction or condition placed by the donor on the distribution of funds if such designation, restriction, or condition becomes unnecessary, undesirable, impractical, incapable of fulfillment, or inconsistent with the charitable needs of the community. The classification of funds in these financial statements does not reflect the variance power until exercised by the Foundation's board of directors.

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#### Cash and Cash Equivalents

The Foundation considers all highly liquid instruments with original maturities of three months or less, and which are not held for long-term purposes, to be cash and cash equivalents. All other highly liquid financial instruments which are to be used for long-term purposes are classified as investments regardless of original length to maturity.

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#### Revenue and Revenue Recognition:

The Foundation has adopted Accounting Standards Update (ASU) No. 2014-09 - *Revenue from Contracts with Customers (Topic 606)*, as amended as management believes the standard improves the usefulness and understandability of the Foundation's financial reporting.

Analysis of various provisions of this standard resulted in no significant changes in the way the Foundation recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

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# WELD COMMUNITY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 – Summary of Significant Accounting Policies – Continued:

#### Contributions:

Contributions, including unconditional promises to give, if any, are recorded as received. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are contributions with a measurable performance or other barrier and are recognized when the conditions on which they depend have been substantially met. Consequently, at December 31, 2025 and December 31, 2024, respectively, contributions of \$1,650 and \$3,450, have not been recognized in the accompanying statement of activities because the condition(s) on which they depend has not yet been met as the event for which the contributions have been given has not yet occurred.

Contributions receivable, if any, are recognized as contributions revenue in the period the notice of the contribution is received. The contributions are considered to be fully collectible; accordingly, no allowance for doubtful accounts has been established.

The Foundation receives contributions from donors with advice regarding distribution of assets and earnings therefrom (Donor Advised Funds). The Foundation attempts to meet the desires of the donors at the time of the contribution; however, the Foundation reserves the right to modify any restrictions or conditions on the distribution of funds for any specified charitable purpose, if in the sole judgment of the Foundation board of directors, such restrictions become unnecessary, undesirable, or inconsistent with the charitable needs of the community. Because it is the board's intention to honor the donor agreements, assets are classified based on the uses of assets and income as determined by the donor agreements.

Contributions whose restrictions are met in the same reporting period as donated are reported as contributions with donor restrictions and reclassified to net assets without donor restrictions and reported in the Statements of Activities as “net assets released from restrictions.”

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#### In-Kind Contributions:

Donated materials, assets, services, and investments are recorded at fair market value when received. Donated services are recorded if they create or enhance a nonfinancial asset or are a service requiring specialized training and would be purchased if the service were not donated. The Foundation did not monetize any contributed nonfinancial assets.

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#### Equity in Assets Held by Third-Party Trustee:

At times, the Foundation may be a remainder beneficiary in trusts held by third-party trustees. The Foundation's equity in these trust assets is stated at the present value of the amount the Foundation is estimated to receive when the trust remainder is distributed.

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# WELD COMMUNITY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 – Summary of Significant Accounting Policies – Continued:

#### Investments:

The Foundation records investments in investment securities at fair value. Life insurance policies from donors are reported at their cash surrender value. Gains and losses on the sale of investments are based on either the specific cost or average cost of the investments sold. Investments are generally pooled for investment management. Most of the Foundation's funds are managed by a professional investment manager and held by a bank trust department. On October 1, 2025 the Foundation transitioned to a new investment manager. Exchange traded funds are baskets of securities designed to replicate various indices and whose value is determined daily through market action in the shares of the exchange traded fund.

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#### Property and Equipment:

Office furniture and equipment are recorded at acquisition cost or at fair value at date of donation. Depreciation is recorded on a straight-line basis over the estimated useful lives of the asset. All assets with a life of more than one year and a value of more than \$1,000 are capitalized. Expenditures for maintenance, repairs and minor replacements are charged to expense when incurred. When assets are sold or otherwise disposed of, the asset and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is included in the statement of activities.

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#### Leases:

The Foundation determines if an arrangement is or contains a lease at inception. The Foundation elects an accounting policy by class of underlying asset to treat each separate lease component together with the non-lease components related to it as one combined unit of account. Leases are included in right-of-use (ROU) assets and lease liabilities in the balance sheet. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and the ROU assets also include prepaid or accrued rent, if applicable. Operating lease expense is recognized on a straight-line basis over the lease term and included in the Occupancy line item.

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#### Annuity Obligations:

The Foundation administers life income agreements as gift annuities where an income beneficiary is the lifetime recipient of income and the Foundation is the remainder beneficiary. Upon receipt of the gift, a liability is established for the estimated net present value of the lifetime recipient's interest using applicable mortality tables and a discount rate commensurate with the risks involved. A contribution is recognized for the estimated remainder interest. The estimate of the liability is updated annually with the change in the estimate reported as "actuarial change in annuities".

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# WELD COMMUNITY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 – Summary of Significant Accounting Policies – Continued:

#### Functional Expenses:

The Statement of Functional Expenses presents expenses by both their nature and their function. Certain categories of expenses are attributable to program, fundraising, and management and general functions, and thus require allocation on a reasonable basis that is consistently applied. Personnel costs (compensation, fringe benefits and payroll taxes) are allocated based on estimates of the efforts the staff apply to various programs and functions. Other costs (including facility costs, office expenses, and equipment maintenance and usage) are allocated in the same portions as the personnel costs.

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#### Tax-Exempt Status:

The Foundation, which is not a private foundation as defined by the Internal Revenue Code, is a tax-exempt organization under Section 501(c)(3). Accordingly, no provision is made in these financial statements for income taxes.

The Foundation believes that it has conducted its operations in accordance with, and has properly maintained, its tax-exempt status, and that it has taken no material uncertain tax positions that qualify for recognition or disclosure in the financial statements. The Foundation is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2022.

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#### Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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# WELD COMMUNITY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2 – Information Regarding Liquidity and Availability:

The Foundation strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. Financial assets in excess of daily cash requirements are invested in money market funds and other short-term investments.

The following table reflects the Foundation's financial assets as of December 31, 2025 and 2024, reduced by amounts that are not available to meet general expenditures within one year of the Statement of Financial Position date.

December 31	2025	2024
Financial Assets at Year End:		
Cash and cash equivalents	\$ 523,909	\$ 687,085
Contributions receivable	-	-
Interest receivable	113,781	170,442
Investments	67,176,295	62,815,093
	67,813,985	63,672,620
Assets Held for Agency Funds	(2,271,470)	(2,228,489)
Board Designations for Programs and Projects	(4,161,680)	(3,782,078)
Net Assets with Donor Restrictions	(60,198,062)	(56,404,075)
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	\$ 1,182,773	\$ 1,257,978

Amounts not available include board-designated funds that are intended to fund future technological and operational needs and to provide resources for the implementation or expansion of various programs. In the event the need arises to utilize the board-designated funds for liquidity purposes, the reserves could be drawn upon through board resolution. Amounts not available to meet general expenditures within one year also may include net assets with donor restrictions and assets held for agency funds.

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# WELD COMMUNITY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3 – Investments:

The Foundation records investments in marketable securities at fair value. To assist the reader of the financial statements in assessing the inputs used to develop fair value measurements, a hierarchy has been established for ranking the quality and reliability of the information used to determine fair values. Assets and liabilities carried at fair value are classified and disclosed in one of the following three categories:

Level 1: Observable inputs such as quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable inputs other than Level 1 inputs, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in inactive markets, or model-derived valuations in which all significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3: Unobservable inputs are used when little or no market data is available.

In determining fair value, the Foundation utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible.

Cash Equivalents: Fair values are equal to the sums of account balances.

Investment Securities: Fair values for equity securities and exchange traded funds are based on quoted market prices for identical assets traded in active markets. Fair values for fixed income and U.S. Government securities are based on pricing models using comparable securities or published redemption values.

Life Insurance: Fair value is based on cash surrender value of the policy as reported by the insurer.

Assets measured at fair value on a recurring basis have been categorized based upon a fair value hierarchy and are summarized as follows:

Description	Cost	Fair Value Measurements			
		Total	Level 1	Level 2	Level 3
<u>December 31, 2025</u>					
Cash equivalents	\$6,808,100	\$ 6,808,100	\$ 6,808,100	\$ --	\$ --
Investment securities:					
Equity	24,077,945	24,821,031	24,821,031	--	--
Fixed income	18,888,411	18,949,701	--	18,949,701	--
U.S. Government	2,823,815	2,819,044	--	2,819,044	--
Foreign equities	13,950,000	13,671,091	13,671,091	--	--
Exchange traded funds	60,935	107,328	107,328	--	--
Certificates of deposit	--	--	--	--	--
Life insurance	--	--	--	--	--
	\$66,609,206	\$67,176,295	\$45,407,550	\$21,768,745	\$ --

# WELD COMMUNITY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3 – Investments – Continued:

Description	Cost	Fair Value Measurements			
		Total	Level 1	Level 2	Level 3
<u>December 31, 2024</u>					
Cash equivalents	\$7,322,400	\$7,322,400	\$7,322,400	\$ --	\$ --
Investment securities:					
Equity	22,088,428	31,477,564	31,477,564	--	--
Fixed income	13,883,977	13,453,583	--	13,453,583	--
U.S. Government	5,548,865	5,306,197	--	5,306,197	--
Foreign equities	1,473,440	1,551,651	1,551,651	--	--
Exchange traded funds	3,608,123	3,532,167	3,532,167	--	--
Certificates of deposit	--	--	--	--	--
Life insurance	171,531	171,531	--	171,531	--
	\$54,096,764	\$62,815,093	\$43,883,782	\$18,931,311	\$ --

Investment earnings (losses) consist of the following:

Years Ended December 31	2025	2024
Interest and Dividends	\$ 1,825,992	\$ 1,525,208
Net Realized Gains (Losses)	12,263,512	2,231,507
Less: Investment Management Fees	(256,880)	(217,230)
	13,832,624	3,539,485
Net Unrealized Gains (Loss)	(8,148,602)	1,001,564
Total Investment Earnings (Loss)	5,684,022	4,541,049
Less: Investment (Earnings) Loss of Agency Funds	(187,565)	(161,735)
Net Investment Earnings (Loss)	\$ 5,496,457	\$ 4,379,314

#### *Fixed Income Securities in an Unrealized Loss Position*

The following tables summarize unrealized losses on debt securities by the length of time that a security has been in an unrealized loss position:

December 31, 2025	12 Months or Greater		Less than 12 Months	
	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value
Corporate bonds	\$ (5,971)	\$ 266,726	\$ (4,971)	\$ 1,410,035
Municipal bonds	(15,326)	463,974	--	--
U.S. Government	(2,945)	61,014	(18,838)	5,402,140
Non-Corp	(14)	99,986	--	--
	\$ (24,256)	\$ 891,700	\$ (23,809)	\$ 6,812,175

# WELD COMMUNITY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3 – Investments – Continued:

December 31, 2024	12 Months or Greater		Less than 12 Months	
	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value
Corporate bonds	\$(439,318)	\$ 7,525,152	\$ (14,766)	\$1,075,230
Municipal bonds	(36,154)	921,345	(5,892)	392,436
U.S. Government	(154,546)	2,818,809	(90,267)	1,864,766
Non-Corp	(1,063)	199,812	--	--
	(631,081)	11,465,118	(110,925)	3,332,432

At December 31, 2025, there were 75 investments in an unrealized loss position. The amortized cost of these securities is \$7,751,939. Management has evaluated these securities and has determined that the decline in value since their purchase dates was primarily attributable to changes in market interest rates and not a result of the issuers' ability to pay. At December 31, 2025, the Company did not intend to sell, and did not consider it likely that it would be required to sell, any of these securities prior to recovery in their fair value. The Foundation did not recognize any impairments in 2025 or 2024.

### NOTE 4 – Property and Equipment:

December 31	2025	2024
Office Furniture and Equipment	\$ 27,693	\$ 27,693
Leasehold Improvements	7,015	7,015
	34,708	34,708
Less: Accumulated Depreciation	27,766	25,193
	\$ 6,942	\$ 9,515

### NOTE 5 – Scholarships Payable:

Most scholarships awarded by the Foundation are paid in the fall of the current year and the spring of the following year (the school year). Beginning in 2022, the Foundation has new multi-year scholarships payable for up to five school years per student. Scholarship payments due are as follows:

December 31	2025
2026	\$ 436,369
2027	280,622
2028	83,647
2029	32,000
2030	12,084
	\$ 844,722

# WELD COMMUNITY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6 – Net Assets:

#### Net Assets Without Donor Restrictions - Board Designations:

The board of directors designates funds to support the Foundation’s activities and assure its financial health. All such designated funds within net assets without donor restrictions are supported by the unrestricted portion of investments.

December 31	2025	2024
Operating Reserve:		
Established in 2015, operating surpluses from the excess of administrative revenue over administrative expenses. Such surpluses may be directed to the Spread the Good Fund once Operating reserve reaches 80% of a current administrative budget	\$ 734,609	\$ 633,253
Community Foundation Spread the Good Fund:		
Established in 2010 to ensure essential organizational staff and tools are in place, facilitate community endowments, and provide leadership for community initiatives	3,263,132	2,901,950
Community Foundation spread the Good Fund Board Designated:		
Established in 2021 to ensure essential organizational staff and tools are in place, facilitate community endowments, and provide leadership for community initiatives	93,928	176,864
Endowment Challenge:		
\$290,000 allocated from Spread the Good Fund from 2015 to 2024 to encourage area public charities to create new endowments or grow current endowments. Awards of \$10,000 each were made to 18 new endowments and 3 existing endowments from 2016 to 2024	70,011	70,011
	\$ 4,161,680	\$ 3,782,078

#### Net Assets With Donor Restrictions:

The nature of restrictions are as follows:

December 31	2025	2024
Restricted as to:		
Purpose	31,691,364	29,709,139
Time (equity in assets held by third-party trustees)	--	--
Perpetual endowment corpus	28,506,698	26,694,936
	\$ 60,198,062	\$ 56,404,075

# WELD COMMUNITY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 7 – Endowments:

At the end of 2025, the Foundation's endowments consist of 123 individual funds restricted for purpose by the donors.

The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as generally requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent donor stipulations to the contrary. As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of initial and subsequent gift amounts donated to the endowments and (b) any accumulations to the endowments made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by us in a manner consistent with the standard of prudence prescribed by UPMIFA.

The Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund.
- The purposes of the organization and the donor-restricted endowment fund.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the organization.
- The investment policies of the organization.

#### Investment and Spending Policies:

The Foundation's investment policy goal is to provide a reasonable, predictable, and sustainable amount of funds available for the uses intended by the original endowment. Given the Foundation's commitment to support both current needs and to provide for future needs, the Foundation advocates a total return approach to investing and to funds distribution, and utilizes professional investment management.

The long-term focus of the investment manager is to both meet needs for distributions in the present and to provide growth in assets and income over time through investment of excess income and capital appreciation. It is anticipated that a reasonable cash reserve will be established to meet the Foundation's ongoing cash needs for program distributions and Foundation expenses. The balance of the assets will be allocated 15-40% to fixed income investments as a long-term target and 40-75% to equities, and 0-25% to alternative equities, based on market values.

The Foundation expects that the investment manager will achieve a compound, time-weighted total return in excess of a weighted-average composite of similar indices over a fair market cycle of three to five years.

# WELD COMMUNITY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 7 – Endowments – Continued:

The Foundation’s investments are exposed to various risks that cause the reported value of investments to fluctuate on a daily basis and could result in material changes to its net assets. Investments in equity securities fluctuate in value in response to many factors, such as the activities and financial condition of individual companies, general business, industry, and market conditions, as well as the perceived state and direction of the economy. The values of bond investments and other fixed income securities fluctuate in response to changing interest rates, credit worthiness of issuers and overall economic policies that impact market conditions.

The Foundation has a policy of appropriating for distribution a percentage each year of its endowment fund’s average fair value over the prior sixteen quarters. That percentage was 4.50% and 5.00% for the years ended 2025 and 2024, respectively. In establishing this policy, the Foundation considered the long-term expected return on its endowment. This is consistent with the Foundation’s objective to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return.

Donor-restricted endowment funds generally consist of two different corpus related stipulations.

Donor Advised Endowment Funds – Donor stipulations include that during the donor’s life, the fair value of the original gift need not be maintained, and the corpus value will become fixed at a future date.

Fair value of original gift – Absent donor stipulations to the contrary, the corpus is determined as the fair value of the original gift as of the gift date.

As of December 31, 2025 and 2024, the composition of endowment net assets with donor restrictions were as follows:

December 31	2025		2024	
	Restricted- Perpetual	Restricted- Purpose	Restricted- Perpetual	Restricted- Purpose
Donor-advised endowment funds	\$ --	\$ 3,455,753	\$ --	\$ 3,826,656
Fair value of original gift	28,506,698	19,380,757	26,694,936	16,481,626
	<u>\$ 28,506,698</u>	<u>\$ 22,836,510</u>	<u>\$ 26,694,936</u>	<u>\$ 20,308,282</u>

# WELD COMMUNITY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 7 – Endowments – Continued:

The following are the changes in endowment net assets with donor restrictions for 2025 and 2024:

Years Ended December 31	2025	2024
Balance at Beginning of Year	\$ 47,003,218	\$ 42,668,735
Contributions	2,074,430	2,001,250
Interfund gift	247,021	650,644
Oil and gas royalties	634,545	766,587
Appropriation for expenditure	(2,534,100)	(1,973,468)
Administration fees	(663,794)	(606,485)
Investment return, net	4,584,419	3,480,531
Reclassifications and transfers	(2,531)	15,424
Balance at End of Year	\$ 51,343,208	\$ 47,003,218

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### NOTE 8 – Underwater Endowments:

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the Foundation's interpretation of UPMIFA requires the Foundation to retain as a fund of perpetual duration. As of December 31, 2025, there were two funds that had deficiencies. In total, these funds have an original gift value of \$8,646,857, a current fair value of \$8,640,843 and a deficiency of \$6,014. As of December 31, 2024, there were three funds that had deficiencies. In total, these funds have an original gift value of \$7,533,298, a current fair value of \$7,072,730, and a deficiency of \$460,568.

The Foundation has a policy that permits spending from underwater endowment funds depending on the degree to which the fund is underwater, unless otherwise precluded by donor intent or relevant laws and regulations.

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### NOTE 9 – Retirement Plan:

The Foundation participates in The Community Foundation Retirement Employee Savings Plan 403(b)(7). Eligible employees work a minimum of 20 hours per week and are employed at the Community Foundation for at least twelve consecutive months. Currently, the plan matches 100% of the employee's contribution up to 5% of the gross pay. Foundation matching contributions during 2025 and 2024 were \$20,043 and \$15,678, respectively.

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# WELD COMMUNITY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 10 – Concentration of Credit Risk:

The Foundation maintains bank accounts at various commercial banks. The balances in those banks may, at times, exceed the \$250,000 Federal Deposit Insurance Corporation insurance limit. The Foundation has never experienced any losses related to these balances.

In 2025, two donors each, provided more than 10% of total contributions and a combined 52% of total contributions. In 2024, two donors each, provided more than 10% of total contributions and a combined 57% of total contributions.

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### NOTE 11 –Leases:

The Foundation evaluated current contracts to determine which met the criteria of a lease. The right-of-use (ROU) assets represent the Foundation's right to use the underlying assets for the lease term, and the lease liabilities represent the Foundation's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities were calculated based on the present value of future lease payments over the lease terms. The Foundation has made an accounting policy election to utilize the incremental borrowing rate to discount future lease payments. The rate used in the lease calculations was 5.50% for the lease ended August 31, 2023. The Foundation's operating leases consist of a single lease for office space.

On August 24, 2023, the Foundation entered into a modified lease agreement. Under the new agreement an additional 230 sq. ft of office space was leased effective September 1, 2023. The office operating lease cost was increased effective September 1, 2023, and the lease was extended through August 31, 2026. The rate used in the lease calculation for this for the new lease was 8.5%.

For the years ended December 31, 2025 and 2024, total operating lease costs were \$36,867 and \$36,144 respectively. The lease required monthly payments of \$2,992 from January 1, 2024 through August 31, 2024, \$3,052 from September 1, 2024 through August 31, 2025 and \$3,113 from September 1, 2025 through end of lease. The Foundation is currently negotiating a two year lease renewal.

The Foundation has elected the practical expedient package to not reassess at adoption (i) expired or existing contracts for whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial indirect costs for existing leases.

# WELD COMMUNITY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 11 –Leases – Continued:

Future maturities of lease liabilities are as follows:

Year Ending December 31	Amount
2026	24,904
Less: Present Value Discount	(1,910)
Total Lease Obligations	\$ 22,994

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### NOTE 12 – Pending Beneficial Interest in Trust:

The Foundation has been notified that it is named a 25% beneficiary of a trust valued at \$348,528 as of December 2025. This would equate to an interest in the trust of approximately \$87,000; which is not included in the Foundation's financial statements since it is revocable.

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### NOTE 13 – Contingencies and Subsequent Events:

Pursuant to the strategy of the Foundation's new investment manager, the Foundation transitioned six million of its portfolio in early 2026 from traditional equity and fixed income investments into alternative investments, marking its first allocation to nontraditional investment strategies.

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