Denver Health and Hospital Authority

Financial Report
with Supplementary Information
December 31, 2025

Contents

Plante & Moran, PLLC
Suite 600
8181 E. Tufts Avenue
Denver, CO 80237
Tel: 303.740.9400
Fax: 303.740.9009
plantemoran.com

Independent Auditor's Report

To the Board of Directors
Denver Health and Hospital Authority

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of Denver Health and Hospital Authority (the "Authority") as of and for the year ended December 31, 2025 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Authority as of December 31, 2025 and the respective changes in its financial position and, where applicable, its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Authority 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 opinions. The financial statements of DHHA OMC QALICB, Inc. and The Denver Health and Hospitals Foundation were not audited under *Government Auditing Standards*.

Report on Prior Year Financial Statements

The basic financial statements of the business-type activities and the aggregate discretely presented component units of the Authority as of and for the year ended December 31, 2024 were audited by other auditors, who expressed an unmodified opinion on the business-type activities and the aggregate discretely presented component units on April 4, 2025, prior to the restatements described in Note 18.

As part of our audit of the 2025 financial statements of the business-type activities and the aggregate discretely presented component units, we also audited the adjustments described in Note 18 that were applied to restate the 2024 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2024 financial statements of the Authority other than with respect to the adjustments, and, accordingly, we do not express an opinion or any other form of assurance on the 2024 financial statements as a whole.

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.

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To the Board of Directors
Denver Health and Hospital Authority

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 Authority's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 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 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 Authority'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 Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Board of Directors
Denver Health and Hospital Authority

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic 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 March 26, 2026 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority'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 Authority's internal control over financial reporting and compliance.

Plante & Moran, PLLC

March 26, 2026

Management's Discussion and Analysis

This discussion and analysis of Denver Health and Hospital Authority's (the "Authority") financial performance provides an overview of the Authority's financial activities for the fiscal years ended December 31, 2025, 2024 and 2023. The management's discussion and analysis (MD&A) is designed to focus on the current fiscal year while providing comparison information for the previous fiscal years, resulting changes, and currently known facts; therefore, please read it in conjunction with the Authority's basic financial statements and related notes.

2025 Highlights

Through revenue improvements, improved cost efficiencies, and improved Denver Health Medical Plan performance, the Authority improved its operating income significantly over 2024 results. As inflationary and other financial pressures increased, the Authority responded to labor and other cost challenges with innovative strategies and a long-term strategic plan, including significant investments in people, technology, and equipment. In addition, the Authority focused on multiple revenue-generating initiatives, including optimizing commercial insurance contracts, reenergizing upfront patient copay collections, and continuing investments in a revenue integrity program to optimize billing. On November 5, 2024, the City and County of Denver, Colorado passed the 0.34 percent sales tax measure to support the Authority’s operational costs. The tax measure brought in approximately $63.8 million in 2025 and is expected to grow annually through inflation and population growth. The stock and bond markets maintained a positive position in 2025 compared to 2024, resulting in an increase in fair value of investments and interest income. In 2001, the Authority closed the Denver Employees Retirement Plan (DERP) to new participants. Starting in 2022, the City and County of Denver, Colorado passed an ordinance that requires the proportionate shares for Denver Health and Hospital Authority (DHHA) and the non-DHHA employers in aggregate to be determined based on their relative shares of the unfunded actuarial liability (UAL) from the prior actuarial valuation. This resulted in a $33.3 million noncash expense in 2025 and $28.7 million noncash expense in 2024. The Authority entered into a tolling agreement with the City and County of Denver, Colorado related to DERP, limiting the future cash exposure.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements, which consist of business-type activities, discretely presented component units, and notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements. The business-type activities of the Authority, which are presented on the accrual basis in accordance with accounting principles generally accepted in the United States of America, include the following basic financial statements:

The statement of net position presents information on the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between these items as net position. Over time, increases or decreases in net position may indicate whether the financial position of the Authority is improving or deteriorating.

The statement of revenue, expenses, and changes in net position presents both the operating revenue and expenses and nonoperating revenue and expenses along with other changes in net position for the year. This statement is an indication of the success of the Authority's operations over the past year.

The statement of cash flows presents the change in cash and cash equivalents for the year resulting from operating activities, noncapital financing activities, capital and related financing activities, and investing activities. The primary purpose of this statement is to provide information about the Authority's cash receipts and cash payments during the year.

Financial Analysis and Results of Operations

Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at December 31 are summarized in the following table:

	2025*	2024*	2023*
Assets			
Current assets	$ 458,171,615	$ 362,567,093	$ 338,992,860
Capital, leased, and subscription assets	615,454,893	639,660,648	651,295,994
Other noncurrent assets	509,688,132	350,668,019	381,999,722
Total assets	1,583,314,640	1,352,895,760	1,372,288,576
Deferred Outflows of Resources	32,823,630	62,713,983	77,980,860
Total assets and deferred outflows	1,616,138,270	1,415,609,743	1,450,269,436
Liabilities			
Current liabilities	276,688,601	277,421,066	257,108,353
Long-term debt, lease, and subscription liabilities	430,310,492	340,308,428	356,066,662
Other noncurrent liabilities	185,849,386	182,622,935	163,100,381
Total liabilities	892,848,479	800,352,429	776,275,396
Deferred Inflows of Resources	9,548,125	9,601,576	12,956,981
Total liabilities and deferred inflows	902,396,604	809,954,005	789,232,377
Net Position			
Net investment in capital assets	285,629,818	294,098,528	295,763,766
Unrestricted	428,111,848	311,557,210	365,273,293
Total net position	**$ 713,741,666**	**$ 605,655,738**	**$ 661,037,059**

*As discussed in Note 18, the Authority's financial statements have been adjusted to present Denver Health Medical Plan (DHMP) as a blended component unit. DHMP was previously presented as a discretely presented component unit. The Authority has adjusted its net position as of the beginning of the earliest year presented in the basic financial statements, which is as of January 1, 2024. The summarized statement of net position presented above includes DHMP as a blended component unit in all years presented.

The Authority classifies net position as invested in capital assets (net of related debt and other liabilities), restricted, and unrestricted. At December 31, 2025, 2024, and 2023, the Authority had no restricted net position. At December 31, 2025, the Authority's total net position was approximately $713.7 million, which is an increase in total net position of approximately $108.1 million, or 17.8 percent, from December 31, 2024. The net position in capital assets decreased during the year due to capital assets decreasing, combined with the increase in net debt from the issuance of the Series 2025 bond. The unrestricted net position increase was driven primarily by operating income, as well as investment and sales tax income. At December 31, 2024, the Authority's total net position was approximately $605.7 million, which is a decrease in total net position of approximately $55.4 million, or 8.4 percent, from December 31, 2023. The net position in capital assets was essentially the same as the year prior, due to changes in capital assets effectively equaling the changes in long-term debt, lease, and subscription liabilities. The unrestricted net position decrease was driven primarily by operating losses, offset in part by investment income.

At December 31, 2025, the Authority's cash and investment position, excluding restricted investments, was approximately $519.9 million, which is an increase of approximately $133.6 million, or 34.6 percent, from December 31, 2024. At December 31, 2024, the Authority's cash and investment position, excluding restricted investments, was approximately $386.2 million, which is an increase of approximately $3.3 million, or 0.9 percent, from December 31, 2023. The changes in both years are driven largely by operating gains (in 2025) or losses (in 2024), with investment income providing a positive impact to the cash and investment position in both years.

Capital, Leased, and Subscription Assets

Capital, leased, and subscription assets are summarized (net of depreciation and amortization) in the table below as of December 31, which includes DHMP as a blended component unit in all years presented:

	2025	2024	2023
Land	$ 48,211,747	$ 43,119,902	$ 43,119,902
Construction in progress	16,060,851	15,857,657	8,615,875
Buildings and improvements	426,834,652	440,792,342	464,551,348
Equipment and software	62,091,659	68,687,601	72,254,590
Leased assets	12,920,842	18,810,811	19,357,260
Subscription assets	49,335,142	52,392,335	43,397,019
Total	**$ 615,454,893**	**$ 639,660,648**	**$ 651,295,994**

Capital, leased, and subscription assets decreased by approximately $24.2 million, or 3.8 percent, as of December 31, 2025 compared to December 31, 2024 and then by $11.6 million, or 1.8 percent, as of December 31, 2024 compared to December 31, 2023 due to depreciation and amortization exceeding the asset additions during both years.

Current liabilities, such as accounts payable and accrued expenses and accrued compensated absences, increased as of December 31, 2025 compared to December 31, 2024, but decreases in liabilities, such as unearned revenue, medical loss ratio payable and other unearned premiums, and accrued claims, resulted in a total current liability decrease of approximately $732 thousand. Current liabilities as of December 31, 2024 increased by approximately $20.3 million compared to December 31, 2023, driven primarily by increases in medical loss ratio payable and other unearned premiums and other unearned revenue.

The Authority's net pension liability represents the actuarially estimated cost of the Authority's pension plan, the Denver Employees Retirement Plan (DERP) and the replacement benefits agreement (RBA). The net liability is the amount owed for the pension benefit above the currently invested assets. This liability increased by approximately $5.3 million, or 3.1 percent, in 2025 and approximately $18.7 million, or 12.5 percent, in 2024, mainly driven by underfunding the unfunded actuarial liability per the tolling agreement with the City and County of Denver, Colorado related to DERP.

Long-term debt, including lease and subscription liabilities, is summarized in the table below as of December 31, which includes DHMP as a blended component unit in all years presented:

	2025	2024	2023
Bonds	$ 370,911,760	$ 266,982,324	$ 281,583,000
Notes payable	36,124,223	37,025,537	37,892,851
Lease liabilities	15,541,126	21,657,646	21,573,969
Subscription liabilities	44,605,528	48,529,833	43,477,872
Other long-term debt	1,200,000	1,335,181	1,700,181
Total	**$ 468,382,637**	**$ 375,530,521**	**$ 386,227,873**

During 2025, the primary change in the Authority's long-term debt, lease, and subscription liabilities related to the issuance of the Series 2025A bonds for approximately $113.5 million, with a net premium of approximately $2.8 million, offset in part by scheduled principal payments and amortization on the Authority's debt, lease, and subscription liabilities of approximately $40.5 million. During 2024, the Authority acquired lease and subscription liabilities of approximately $34.2 million, offset by scheduled principal payments and amortization on other debt of approximately $44.8 million.

The Authority's 2025A, 2019A, 2019B, 2017A, 2014A, and 2014B bond series ratings are BBB by Standards and Poor's and by Fitch in 2025 and 2024.

Operating Results and Changes in the Authority's Net Position

The following table compares 2025, 2024, and 2023 revenue and expenses and shows the resulting changes in net position, which includes DHMP as a blended component unit in only 2025 and 2024:

	2025*	2024*	2023**
Operating Revenue			
Net patient service revenue and safety net revenue	$ 1,055,285,192	$ 967,002,306	$ 1,132,964,426
Premium revenue	523,633,949	433,705,262	-
Other operating revenue	248,578,158	254,018,123	264,876,525
Total operating revenue	1,827,497,299	1,654,725,691	1,397,840,951
Operating Expenses			
Salaries and benefits	984,618,178	936,758,342	848,333,192
Medical and pharmacy claims incurred	190,730,092	171,074,557	-
Other operating expenses	553,702,580	532,640,868	480,991,301
Depreciation and amortization	76,120,347	79,284,123	71,588,006
Total operating expenses	1,805,171,197	1,719,757,890	1,400,912,499
Operating Income (Loss)	22,326,102	(65,032,199)	(3,071,548)
Nonoperating Revenue (Expense)			
Investment income	34,039,091	22,153,196	21,324,980
Interest expense	(20,567,515)	(15,410,138)	(14,526,899)
Sales tax revenue	63,844,902	-	-
Other nonoperating revenue	5,948,768	328,459	4,179,181
Total nonoperating revenue	83,265,246	7,071,517	10,977,262
Income (Loss) before Contributions	105,591,348	(57,960,682)	7,905,714
Contributions Restricted for Capital Assets	2,494,580	2,579,361	2,899,596
Increase (Decrease) in Net Position	**$ 108,085,928**	**$ (55,381,321)**	**$ 10,805,310**

*As discussed in Note 18, as of January 1, 2024, DHMP is presented as a blended component unit within the Authority's financial statements. The summarized statement of revenue, expenses, and changes in net position presented above includes DHMP as a blended component unit in 2025 and 2024. In addition to the activity shown above for 2024, the Authority also recognized a cumulative effect of error correction in the amount of approximately $45.7 million as of January 1, 2024.

**As noted above, DHMP is presented within the Authority's activities beginning in 2024. The amounts shown in this table for 2023 reflect the Authority's summarized statement of revenue, expenses, and changes in net position as previously reported. DHMP is not included therein. Restatement of the 2023 information was not practicable because it would require substantial time and effort, resulting in cost and effort that are not justified given the limited value to the users of the financial statements.

During 2025, operating revenue increased by approximately $172.8 million, or 10.4 percent, driven by increases in net patient service revenue of approximately $68.9 million, safety net revenue of approximately $19.4 million, and premium revenue of approximately $89.9 million. During 2025, operating expenses increased by approximately $85.4 million, or 5.0 percent, compared to 2024. Increases were experienced in all operating expense categories other than contracted services and nonmedical supplies and depreciation and amortization, which saw modest decreases compared to 2024. The Authority's medical and pharmacy claims expense increased at a lower pace compared to premium revenue, leading to the significant improvement in operating income, which was approximately $22.3 million in 2025, compared to a loss of approximately $65.0 million in 2024.

During 2025, the inpatient gross revenue increased notably in the areas of emergency medicine, OBGYN, pediatrics radiology, respiratory services, and acute, driven by a combination of volume and price changes. The outpatient gross revenue increased in the areas of emergency medicine, retail pharmacy, surgery radiology, respiratory services, lab, medicine, and ambulatory care services (ACS). Total outpatient surgeries increased by 7.6 percent over prior year, and prescriptions increased by 6.3 percent year over year. The physician revenue increased in the areas of ambulatory care services, radiology, emergency medicine, surgery, and behavioral health. Ambulance revenue decreased by 1 percent primarily due to transport volume being down from prior year. Operating expenses increased notably in volume-related expenses such as labor, pharmaceuticals, and medical supplies. In addition, contracted services and other expenses increased in 2025 compared to 2024 due to additional legal expenses and investments in technology and software.

Denver Health Medical Plan improved its financial position in 2025 due to increased Medicaid membership and rates, better capture of risk adjustment dollars, and lower administrative expenses due to planned efficiencies.

As noted above, the above table excludes DHMP's activities in the 2023 column, which makes that year not comparable to 2025 and 2024 due to the material transactions and related eliminations that take place between Denver Health Medical Center and DHMP. Within its core health care operations, the Authority experienced increases in net patient service revenue and other operating revenue in 2024 compared to 2023. Operating expenses of the Authority's health care activities saw its operating expenses increase at a slightly faster pace than its operating revenue, leading to a slightly increased operating loss compared to 2023.

During 2024, the inpatient gross revenue increased notably in the areas of surgery, emergency medicine, OBGYN, pediatrics, and ancillary services, driven by a combination of volume and price changes. Total deliveries were 11.7 percent higher than prior year. The outpatient gross revenue increased in the areas of emergency medicine, retail pharmacy, radiology, lab, medicine, and ambulatory care services. Total outpatient clinic visits increased by 4.7 percent over prior year, and prescriptions increased by 2.4 percent year over year. The physician revenue increased in the areas of ambulatory care services, radiology, emergency medicine, surgery, and OBGYN. Ambulance revenue increased by 3.7 percent primarily due to transport volume being 4.3 percent higher than prior year, driven by an increased number of ambulances and improved staffing.

Below is the Authority's payor mix as a percent of gross charges in 2025, 2024, and 2023:

	2025	2024	2023
Medicare	20.3 %	19.2 %	19.2 %
Medicaid	46.8	46.3	49.8
Commercial	22.2	20.6	18.9
Other	10.7	13.9	12.1
Total	**100.0 %**	**100.0 %**	**100.0 %**

The Authority, as part of its mission, provides health care services to the City’s residents, regardless of ability to pay. Many of the Authority’s patients are unable to obtain benefits from insurance companies or do not have personal resources to cover costs. The financial burden, however, is in part offset by various federal, state, local, and private programs in which such patients are enrolled.

Records are maintained to identify and monitor the level of charity care the Authority provides. These records include the amount of charges foregone for services and supplies furnished under its charity care policy. This policy directly relates to that of the state Colorado Indigent Care Program (CICP) and an internal charity program that provides a sliding fee scale based on the patient's percentage of federal poverty level (FPL). The level of uncompensated care provided during the years ended December 31, 2025, 2024, and 2023 is as follows:

	2025	2024	2023*
Contractual adjustments	$ 2,246,154,329	$ 2,003,719,732	$ 2,441,072,923
Provision for bad debts	205,681,592	211,245,478	137,603,403
Charges forgone for charity care	245,635,809	305,424,443	270,427,470
Uncompensated care	**$ 2,697,471,730**	**$ 2,520,389,653**	**$ 2,849,103,796**

*The uncompensated care information in the table above for 2023 does not include the eliminations that resulted from DHMP being blended into the Authority's financial statements as they are in the 2024 and 2025 information.

Medicaid DSH and other safety net reimbursement for 2025, 2024, and 2023 are as follows:

	2025	2024	2023
Medicaid Disproportionate Share revenue	$ 145,107,936	$ 92,534,721	$ 46,638,214
Supplemental Medicaid base rate revenue	-	30,703,899	76,841,099
Supplemental Medicaid outpatient hospital revenue	-	7,794,311	6,504,448
Hospital quality incentive payment	11,045,266	10,285,734	7,252,685
Ambulance Upper Payment Limit revenue and other	2,456,513	2,471,626	1,827,984
Primary care funds	10,763,654	10,011,287	10,116,179
Physician certification revenue	9,589,126	5,773,540	7,916,818
State General Fund revenue	5,000,000	5,000,000	6,000,000
Total	**$ 183,962,495**	**$ 164,575,118**	**$ 163,097,427**

Nonoperating revenue and expenses consist primarily of income from the Authority's cash and investments, interest expense, changes in the equity investment in joint venture, grant revenue for FEMA, the gain or loss on disposal of capital assets, and, beginning in 2025, sales tax revenue.

Net nonoperating revenue in 2025 was approximately $83.3 million, compared to net nonoperating revenue of approximately $7.1 million in 2024. The largest driver for the change was the addition of sales tax revenue of approximately $63.8 million in 2025, as well as an increase in investment income.

Net nonoperating revenue in 2024 was approximately $7.1 million, compared to net nonoperating revenue of approximately $11.0 million in 2023. The largest driver for the change was a net decrease in investment income compared to prior year returns. FEMA revenue recognized in 2024 was also $5.2 million less than 2023 due to changes in expectations of what FEMA will reimburse.

Other Economic Factors

The Authority’s budget for 2026 reflects the organization’s focus on operational efficiency, cost savings, and revenue optimization. The executive staff and physician department chairs and the authority board have determined the highest priority areas for the organization to target improvement in financial and clinical performance. There are specific budgetary and operational performance goals and metrics for each. The Authority’s 2026 budget targets a $38.0 million operating revenue increase compared to 2025. This increase is driven by initiatives targeted at improving patient care service volumes, access to care, and revenue cycle initiatives. Total operating expenses are budgeted to increase by $53.2 million, driven primarily by labor expense and supply cost increases. On November 5, 2024, the City and County of Denver, Colorado passed the 0.34 percent sales tax measure, ballot measure 2Q, to support the Authority’s operational costs. The tax measure brought in approximately $63.8 million in 2025. Salary and benefit costs are budgeted to increase by 7.0 percent over the 2025 actual personnel cost. This is driven primarily by merit and market increases to address the challenging labor market and to retain employees in addition to staffing increases to meet the demand of projected volumes. In 2026, 64.3 percent of the Authority’s budgeted cost is personnel-related and drives most of the overall increase in budgeted expense. The Authority has implemented budget controls around labor productivity and hiring and goals for growth initiatives.

Contacting the Authority's Financial Management

This financial report is designed to provide a general overview of the Authority's financial results for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the chief financial officer, 601 Broadway, MC 0278, Denver, CO 80203.

Statement of Net Position

December 31, 2025 and 2024

	2025	2024
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and cash equivalents	$ 164,935,237	$ 81,534,576
Patient accounts receivable - Net of estimated uncollectibles of approximately $89,294,000 and $84,900,000 in 2025 and 2024, respectively	117,957,393	109,840,901
Due from governmental entities	28,110,716	30,651,306
Due from City and County of Denver	12,910,696	9,183,595
Other receivables	27,074,290	36,079,981
Reinsurance receivable	21,337,628	24,108,319
Interest receivable	3,573,308	1,892,851
Due from other funds and investment in discretely presented component units	262,612	300,481
Prepaid expenses and other assets	21,321,828	18,657,387
Inventories	24,831,718	22,221,301
Premiums receivable - Net	35,856,189	28,096,395
Total current assets	458,171,615	362,567,093
Long-term Investments	354,917,062	304,709,537
Restricted Investments	132,334,871	22,460,730
Capital, Leased, and Subscription Assets - Net	615,454,893	639,660,648
Other Assets		
Estimated third-party payor settlements receivable	-	364,465
Notes receivable	14,957,348	14,957,348
Equity interest in joint venture	614,393	627,800
Other long-term assets	6,864,458	7,548,139
Total assets	1,583,314,640	1,352,895,760
Deferred Outflows of Resources		
Deferred outflows of resources related to pension benefits	21,963,358	49,466,867
Deferred outflows of resources related to other postemployment benefits	1,728,015	2,755,091
Loss on refunding of debt	9,132,257	10,492,025
Total deferred outflows of resources	32,823,630	62,713,983
Total assets and deferred outflows of resources	**$ 1,616,138,270**	**$ 1,415,609,743**

See notes to financial statements.

Statement of Net Position (Continued)

December 31, 2025 and 2024

	2025	2024
Liabilities, Deferred Inflows of Resources, and Net Position		
Current Liabilities		
Accounts payable and accrued expenses	$ 68,693,399	$ 54,133,506
Current maturities of long-term debt	13,605,000	12,050,181
Current maturities of leases and subscriptions	24,467,145	23,171,912
Accrued liabilities and other:		
Accrued salaries, wages, and employee benefits	50,901,496	50,176,482
Accrued compensated absences	43,703,162	40,019,019
Unearned revenue	30,361,153	35,108,958
Medical loss ratio payable and other unearned premiums	19,571,149	32,253,401
Accrued claims and loss adjustment expenses	25,386,097	30,507,607
Total current liabilities	276,688,601	277,421,066
Long-term Debt - Net of current portion	394,630,983	293,292,861
Lease and Subscription Liabilities - Net of current portion	35,679,509	47,015,567
Net Pension Liability	173,521,093	168,257,946
Other Liabilities		
Postemployment benefits	7,438,674	7,499,184
Long-term portion of liability for estimated third-party settlements	4,512,471	6,512,712
Long-term portion of compensated absences	377,148	353,093
Total other liabilities	12,328,293	14,364,989
Total liabilities	892,848,479	800,352,429
Deferred Inflows of Resources		
Deferred inflows of resources related to pension benefits	2,998,680	2,439,601
Deferred inflows of resources related to other postemployment benefits	751,533	890,509
Deferred inflows of resources related to leases	5,797,912	6,271,466
Total deferred inflows of resources	9,548,125	9,601,576
Total liabilities and deferred inflows of resources	902,396,604	809,954,005
Net Position		
Net investment in capital assets	285,629,818	294,098,528
Unrestricted	428,111,848	311,557,210
Total net position	713,741,666	605,655,738
Total liabilities, deferred inflows of resources, and net position	**$ 1,616,138,270**	**$ 1,415,609,743**

See notes to financial statements.

Balance Sheet - DHHA OMC QALICB, Inc.

December 31, 2025 and 2024

	2025	2024
Assets		
Current Assets		
Restricted cash and cash equivalents	$ 565,650	$ 2,908,981
Due from Denver Health and Hospital Authority	170,600	-
Total current assets	736,250	2,908,981
Property and Equipment - Net	14,886,079	13,303,280
Total assets	**$ 15,622,329**	**$ 16,212,261**
Liabilities and Net Deficit		
Current Liabilities - Due to Denver Health and Hospital Authority	$ -	$ 4,609
Notes Payable	19,102,016	19,022,782
Total liabilities	19,102,016	19,027,391
Net Deficit		
Without donor restrictions	(3,479,687)	(2,815,130)
Total net deficit	(3,479,687)	(2,815,130)
Total liabilities and net deficit	**$ 15,622,329**	**$ 16,212,261**

See notes to financial statements.

Statement of Financial Position - The Denver Health and Hospitals Foundation

December 31, 2025 and 2024

	2025	2024
Assets		
Assets		
Cash and cash equivalents	$ 4,166,217	$ 6,790,608
Contributions and grants receivable - Net	2,078,534	4,759,598
Prepaid expenses and other assets	99,638	51,074
Inventory	-	182,670
Short-term investments	14,438,987	13,202,139
Beneficial interests in assets held by third party	13,677,117	12,040,173
Total assets	**$ 34,460,493**	**$ 37,026,262**
Liabilities and Net Assets		
Liabilities - Amounts due to Denver Health and Hospital Authority	$ 3,610,476	$ 2,283,957
Net Assets		
Without donor restrictions	2,143,884	1,218,931
With donor restrictions	28,706,133	33,523,374
Total net assets	30,850,017	34,742,305
Total liabilities and net assets	**$ 34,460,493**	**$ 37,026,262**

Statement of Revenue, Expenses, and Changes in Net Position

Years Ended December 31, 2025 and 2024

	2025	2024
Operating Revenue		
Net patient service revenue	$ 871,322,697	$ 802,427,188
Medicaid Disproportionate Share and other safety net reimbursement	183,962,495	164,575,118
Premium revenue	523,633,949	433,705,262
City and County of Denver payment for patient care services	30,777,300	30,777,300
Federal, state, and other grants	92,550,461	102,817,683
City and County of Denver purchased services	39,433,133	34,760,173
Poison and drug center contracts	18,041,326	19,675,467
Other operating revenue	67,775,938	65,987,500
Total operating revenue	1,827,497,299	1,654,725,691
Operating Expenses		
Salaries and benefits	984,618,178	936,758,342
Contracted services and nonmedical supplies	286,672,419	292,571,195
Medical supplies and pharmaceuticals	267,030,161	240,069,673
Medical and pharmacy claims incurred	190,730,092	171,074,557
Depreciation and amortization	76,120,347	79,284,123
Total operating expenses	1,805,171,197	1,719,757,890
Operating Income (Loss)	22,326,102	(65,032,199)
Nonoperating (Expense) Revenue		
Change in equity in joint venture	(4,069)	(23,214)
Net nonoperating grant revenue (refunds), including FEMA	1,477,267	(1,902,285)
Interest income	23,376,331	14,932,694
Interest expense	(20,567,515)	(15,410,138)
Net increase in fair value of investments	10,662,760	7,220,502
Gain on disposition of capital assets	4,475,570	2,253,958
Sales tax revenue	63,844,902	-
Total nonoperating revenue	83,265,246	7,071,517
Income (Loss) before Contributions	105,591,348	(57,960,682)
Contributions Restricted for Capital Assets	2,494,580	2,579,361
Increase (Decrease) in Net Position	108,085,928	(55,381,321)
Net Position - Beginning of year, as previously reported	605,655,738	615,336,706
Cumulative Effect of Error Correction (Note 18)	-	45,700,353
Net Position - Beginning of year, as restated	605,655,738	661,037,059
Net Position - End of year	**$ 713,741,666**	**$ 605,655,738**

See notes to financial statements.

Statement of Operations and Changes in Net Deficit - DHHA OMC QALICB, Inc.

Years Ended December 31, 2025 and 2024

	2025	2024
Revenue, Gains, and Other Support without Donor Restrictions		
Equipment rental from Denver Health and Hospital Authority	$ 3,141,056	$ 2,657,718
Interest income	82,660	56,908
Total revenue, gains, and other support without donor restrictions	3,223,716	2,714,626
Operating Expenses		
Other operating expenses	221,634	219,993
Depreciation expense	3,357,378	2,833,799
Interest expense, including amortization of loan costs of $79,234 (2025 and 2024)	271,049	271,047
Total operating expenses	3,850,061	3,324,839
Operating Loss	(626,345)	(610,213)
Other Expense - Loss on disposal of property and equipment	(38,212)	-
Decrease in Net Assets without Donor Restrictions	(664,557)	(610,213)
Net Deficit without Donor Restrictions - Beginning of year	(2,815,130)	(2,204,917)
Net Deficit without Donor Restrictions - End of year	**$ (3,479,687)**	**$ (2,815,130)**

Statement of Activities and Changes in Net Assets - The Denver Health and Hospitals Foundation

Years Ended December 31, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains, and Other Support						
Contributions and grants	$ 600,247	$ 5,561,009	$ 6,161,256	$ 1,686,284	$ 11,246,258	$ 12,932,542
Special event revenue - Net of expenses of $661,634 and $619,810 for the years ended December 31, 2025 and 2024, respectively	925,598	-	925,598	685,650	-	685,650
Change in beneficial interest in assets held by third party	-	1,636,944	1,636,944	-	1,192,418	1,192,418
Net investment return	1,839,333	-	1,839,333	813,932	-	813,932
Contributed nonfinancial assets	2,943,516	-	2,943,516	2,246,191	328,087	2,574,278
Net assets released from restrictions	12,015,194	(12,015,194)	-	11,312,037	(11,312,037)	-
Total revenue, gains, and other support	18,323,888	(4,817,241)	13,506,647	16,744,094	1,454,726	18,198,820
Expenses						
Program activities	13,772,227	-	13,772,227	16,427,921	-	16,427,921
Support services:						
Management and general	1,381,746	-	1,381,746	2,142,425	-	2,142,425
Fundraising	2,244,962	-	2,244,962	638,537	-	638,537
Total expenses	17,398,935	-	17,398,935	19,208,883	-	19,208,883
Increase (Decrease) in Net Assets	924,953	(4,817,241)	(3,892,288)	(2,464,789)	1,454,726	(1,010,063)
Net Assets - Beginning of year	1,218,931	33,523,374	34,742,305	3,683,720	32,068,648	35,752,368
Net Assets - End of year	**$ 2,143,884**	**$ 28,706,133**	**$ 30,850,017**	**$ 1,218,931**	**$ 33,523,374**	**$ 34,742,305**

See notes to financial statements.

Statement of Cash Flows

Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Collections from patients and third-party payors	$ 1,051,289,617	$ 968,010,159
Collections from premiums	520,379,955	428,383,203
City and County of Denver payment for patient care services	27,050,199	31,627,391
Collections from poison and drug center contracts	18,041,875	19,480,112
Collections from federal, state, and other grants	90,147,922	115,666,032
Other operating receipts	110,432,871	101,603,584
Payments for salaries and benefits	(946,007,586)	(903,354,374)
Payments to suppliers	(544,424,677)	(524,214,728)
Payments for claim benefits and losses	(208,533,854)	(168,393,206)
Net cash and cash equivalents provided by operating activities	118,376,322	68,808,173
Cash Flows from Noncapital Financing Activities - Sales tax proceeds	63,844,902	-
Cash Flows from Capital and Related Financing Activities		
Purchase of capital assets	(37,273,680)	(37,271,257)
Receipt of capital contributions	2,494,580	2,579,361
Principal payments on long-term debt, leases, and subscriptions	(39,858,307)	(40,469,311)
Proceeds from long-term debt	116,271,914	-
Proceeds from the sale of capital assets	7,826,139	3,846,220
Cash paid for interest	(19,258,082)	(15,627,051)
Bond issuance costs	(1,309,433)	-
Net cash and cash equivalents provided by (used in) capital and related financing activities	28,893,131	(86,942,038)
Cash Flows from Investing Activities		
Proceeds from sale and maturities of investments	112,043,785	144,841,617
Purchases of investments	(263,133,810)	(109,368,433)
Interest income	23,376,331	14,932,694
Net cash and cash equivalents (used in) provided by investing activities	(127,713,694)	50,405,878
Net Increase in Cash and Cash Equivalents	83,400,661	32,272,013
Cash and Cash Equivalents - Beginning of year	81,534,576	36,021,054
Cumulative Effect of Error Correction (Note 18)	-	13,241,509
Cash and Cash Equivalents - Beginning of year, as restated	81,534,576	49,262,563
Cash and Cash Equivalents - End of year	**$ 164,935,237**	**$ 81,534,576**

Statement of Cash Flows (Continued)

Years Ended December 31, 2025 and 2024

	2025	2024
A reconciliation of operating income (loss) to net cash from operating activities is as follows:		
Cash Flows from Operating Activities		
Operating income (loss)	$ 22,326,102	$ (65,032,199)
Adjustments to reconcile operating income (loss) to net cash and cash equivalents from operating activities:		
Depreciation and amortization	76,120,347	79,284,123
Provision for bad debts	205,681,592	211,245,478
Changes in operating assets and liabilities that (used) provided cash and cash equivalents:		
Accounts receivable	(209,452,871)	(208,870,998)
Estimated third-party payor settlements	(1,635,776)	2,326,887
Inventories	(2,610,417)	168,934
Prepaid expenses and other assets	(1,980,760)	5,779,322
Accounts payable and accrued expenses	972,084	9,524,283
Net pension and other postemployment liabilities	5,226,692	18,487,215
Deferred inflows and outflows	28,477,134	10,551,705
Unearned revenue	(4,747,805)	5,343,423
Net cash and cash equivalents provided by operating activities	**$ 118,376,322**	**$ 68,808,173**
Supplemental Cash Flow Information		
Capital asset additions included in accounts payable	$ 217,259	$ 621,142
Lease obligations incurred for lease assets	377,616	5,563,565
Subscription liabilities incurred for subscription assets	17,096,757	25,476,383

Note 1 - Nature of Operations

Organization

Denver Health and Hospital Authority (the "Authority") was created in 1994 by the State of Colorado (the "State") as a political subdivision of the State pursuant to Article 29 of Title 25, Colorado Revised Statutes, as amended (the "Act"). As contemplated in the Act, on January 1, 1997, substantially all of the programs, services, and facilities of the City and County of Denver, Colorado's (the "City") Department of Health and Hospital's Enterprise Fund were transferred to the Authority pursuant to the transfer agreement between the Authority and the City.

Definition of Reporting Entity

The Authority follows Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining which activities, organizations, and functions are included within the financial reporting entity. GASB pronouncements set forth the financial accountability of an organization's elected governing body as the basic criterion for including a possible component organization in the primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

The Authority is financially accountable for Denver Health Medical Plan, Inc.; Rocky Mountain Drug Safety Inc.; Canadian Consumer Product and Pharmaceutical Safety Inc.; 550 Acoma Inc.; Centennial Ltd.; and Denver Health Redevelopment Corp., each a blended component unit. All significant interentity balances and transactions have been eliminated in the basic financial statements. The Denver Health and Hospitals Foundation and DHHA OMC QALICB, Inc. are presented as discretely presented component units in the Authority's financial statements because they are legally separate organizations that were formed to directly benefit the Authority as their primary purpose. The Authority is not a component unit of any other primary governmental entity.

The Authority

The Authority is a fully integrated health care delivery system, which employs a single physician group and operates four divisions: the Denver Health Medical Center, the City Fund, the Rocky Mountain Drug Safety Inc. (RMDS), and what is referred to by the Authority as the Restricted Fund.

The Denver Health Medical Center is an acute-care hospital licensed for 555 total beds, including 101 intensive care beds, that provides inpatient medical and mental health services; an ambulatory care center; emergency medical services, including Level 1 trauma; 14 federally qualified community health centers in Denver that provide outpatient services; and a federally qualified women's mobile clinic. The Authority also operates 19 school-based clinics in Denver that provide outpatient services to students.

The City Fund programs charge for their services and receive grant funding for the remaining expenses to run the programs. Expenses are billed to the City in accordance with an operating agreement between the Authority and the City, which is amended each year. Operations included in the City Fund are the Public Health Department, which provides public health informatics and administration. Public health clinics are also public health functions provided to the City in the operating agreement but are funded from revenue and fees collected. Also included in the City Fund is prisoner care at the Denver Justice Center and Denver County Jail and Denver C.A.R.E.S., which is a 100-bed nonmedical withdrawal management center.

The RMDS is a certified regional poison center recognized by the American Association of Poison Control Centers that serves as a regional drug information center. It also provides poison and drug information services to medical professionals and consumers in other states through contractual agreements.

Note 1 - Nature of Operations (Continued)

The Restricted Fund consists primarily of grants the Authority has been awarded that are used as directed by the grantor. The grants are awarded from multiple sources, including federal, state, and industry agencies. Annually, the Authority also conducts a single audit under the Uniform Guidance to comply with federally awarded grant requirements.

Denver Health Medical Plan, Inc.

Denver Health Medical Plan, Inc. (DHMP) is a Colorado nonprofit organization formed by the Authority in 1997 as a health maintenance organization to provide comprehensive health care services on a prepaid basis to its members. DHMP is governed by a nine-member board of directors, which is appointed by the Authority. The majority of DHMP's board of directors consists of board members and executive staff of the Authority. DHMP’s members consist of current and former employees of the Authority and their dependents, the City, the Denver Employees Retirement Plan, Child Health Plan Plus participants, Medicare Choice (dual eligibles), and Medicare Select Low Income Plan. In 2014, DHMP began offering individual commercial coverage through Connect for Health Colorado, the Colorado insurance marketplace developed as a result of the Affordable Care Act. DHMP is presented as a blended component unit of the Authority.

Financial statements for DHMP, prepared on a statutory basis of accounting, can be obtained from the Authority by calling 303-602-2002 or by writing to the Denver Health and Hospital Authority, Division of Finance, MC 1925, 601 Broadway, Denver, CO 80203.

Rocky Mountain Drug Safety Inc. and Canadian Consumer Product and Pharmaceutical Safety Inc.

In September 2015, the Authority created a Colorado nonprofit corporation, Rocky Mountain Drug Safety Inc. (RMDS), of which it is the sole member. Three authority employees comprise the board of directors. The purpose of RMDS is to be the sole member of a Canadian nonprofit corporation, Canadian Consumer Product and Pharmaceutical Safety Inc. (CCPPS). The CCPPS board of directors is composed of two authority employees and one independent director. CCPPS will perform collection and analysis of drug and pharmaceutical data to enhance treatment, prevention, and mitigation of drug abuse and adverse drug events. CCPPS is presented as a blended component of the Authority.

550 Acoma Inc.

550 Acoma Inc. (550 Acoma) is a Colorado nonprofit organization formed by the Authority in September 2018 to construct a parking garage on the hospital campus in the City and County of Denver, Colorado. The Authority created 550 Acoma for the sole purpose of financing construction through a public issuance of a note payable. 550 Acoma is exempt from taxes under Section 501(c)(3) of the Internal Revenue Code.

The construction project was a parking garage for authority employees. The cost of the garage was approximately $38,000,000 and was completed in July 2020. The Authority will pay 550 Acoma rent to cover the interest and principal payments for the life of the debt. The land occupied by the parking garage is leased to 550 Acoma by the Authority. The Authority is the sole member of 550 Acoma. The 550 Acoma board of directors consists of three authority employees. 550 Acoma is presented as a blended component unit because it provides services entirely to the Authority and exclusion of 550 Acoma’s financial statements would cause the Authority’s financial statements to be misleading.

Centennial Ltd.

Centennial Ltd. (Centennial), created in 2025, is a captive insurance company domiciled in the Cayman Islands, formed to provide insurance coverage to the Authority and its affiliates. The Authority is the sole member of Centennial, which is presented as a blended component unit of the Authority.

Note 1 - Nature of Operations (Continued)

Denver Health Redevelopment Corp.

Denver Health Redevelopment Corp. (DHRC), created in 2025, is a Colorado nonprofit organization formed by the Authority. DHRC is presented as a blended component unit of the Authority. DHRC serves as a capital reserve entity to ensure the Authority has the fiscal discipline to save for large capital expenditures in the future.

DHHA OMC QALICB, Inc.

DHHA OMC QALICB, Inc. (OMC Inc.), a discretely presented component unit of the Authority, was formed in January 2020 to purchase equipment primarily used in the outpatient medical center. The members of OMC Inc. are the Authority and Denver Community Health Service Inc. (DCHS), a Colorado nonprofit corporation. The board of directors of OMC Inc. consists of one authority employee and two members of the DCHS board of directors. Two authority employees and one member of the DCHS board directors act as nonvoting officers of OMC Inc.

In January 2020, the Authority invested $14.9 million with an equity investor in the form of a note receivable. The equity investor contributed $6.9 million, and the total of $21.8 million was loaned to three Community Development Entities (CDEs). OMC Inc. received the proceeds of six note payables to these CDEs related to New Markets Tax Credit (NMTC) financing. The proceeds of this financing were used to acquire medical equipment to be used primarily in the new outpatient medical center on the Authority's main campus.

Financial statements for OMC Inc. can be obtained from the Authority by calling 303-602-6105 or by writing to the Denver Health and Hospital Authority, Division of Finance, MC 1925, 601 Broadway, Denver, CO 80203.

DHHA Westside Clinic QALICB

In March 2026, a Colorado nonprofit corporation, DHHA Westside Clinic QALICB, was created for the redevelopment and expansion of the Authority's Sam Sandos Westside Family Health Center with investment from the New Markets Tax Credit program. During 2026, the Authority is expected to receive $20 million from the City, generated from taxable general obligation bonds, which, along with the Authority's cash, will fund the New Markets Tax Credit investment fund. As a result of this entity being formed to directly benefit the Authority, management expects to include DHHA Westside Clinic QALICB as a discretely presented component unit in the 2026 financial statements.

The Denver Health and Hospitals Foundation

The Denver Health and Hospitals Foundation (the "Foundation") is a nonprofit charity formed for the benefit of the Authority. The Foundation's mission is to support the Authority in its mission to provide quality patient care. Significant areas of support include, but are not limited to, maternal and child health, community health, volunteer functions, and trauma prevention and care, among others. Fundraising efforts for the benefit of the Authority are undertaken by the Foundation, and the Authority is entitled to and has the ability to access resources held by the Foundation to fund its programs.

The Authority provides certain accounting and administrative functions for the Foundation at no cost. During 2025 and 2024, the Foundation paid the Authority approximately $11,617,000 and $12,133,000, respectively, in pass-through grants and donations.

Financial statements for the Foundation can be obtained from the Authority by calling 303-602-7067, or by writing to the Denver Health and Hospital Authority, Division of Finance, MC 1925, 601 Broadway, Denver, CO 80203.

Note 1 - Nature of Operations (Continued)

Fresenius Joint Venture

In February 2019, the Authority entered into a limited liability company agreement with Fresenius Medical Care - Sloan's Lake. The Authority made a capital contribution of approximately $713,000 for 30 percent ownership or "units" in this joint venture. There are two members in this venture - the Authority and Fresenius Medical Care Venture, LLC. This contribution is reflected in the statement of net position as equity interest in joint venture. The change in the value of the Authority's share of net equity is recorded as nonoperating income.

Relationship with the City and County of Denver, Colorado

The Act states that the City shall have no control over the operations of the Authority. Principal agreements between the Authority and the City dated January 1, 1997 include the Operating Agreement and the Personnel Services Agreement. The Operating Agreement is amended annually.

The Operating Agreement provides for and defines the services the Authority will provide to the City and the services the City will provide to the Authority, as well as the basis for determining compensation for such services. The agreement was entered into in order to ensure the citizens of the City would have access to quality preventive, acute, and chronic health care, regardless of their ability to pay. The Authority and the City intend to continue to be collaborative and supportive in carrying out the objectives through annual city payments to the Authority.

The Personnel Services Agreement provides for the lease of city employees to the Authority and the Authority's payment obligations with respect to such employees.

For the years ended December 31, 2025 and 2024, the Authority recognized revenue from the City for authority services of approximately $30,777,000 as compensation for costs incurred for treatment of medically indigent Denver residents.

The City purchased services revenue includes amounts relating to support services and expenses incurred by the Authority for other city agencies. These costs are reimbursed by the City and amounted to approximately $39,433,000 and $34,760,000 in 2025 and 2024, respectively. Revenue is recognized as services are provided. As of December 31, 2025, the City has an outstanding commitment to provide funding to the Authority not to exceed $7,600,000 for debt financed clinic construction within the city limits of Denver, Colorado. Additionally, during 2026, the Authority is expected to receive $20 million from the City, generated from general obligation bonds, to assist with the financing of a portion of the capital commitments disclosed in Note 7.

Note 2 - Significant Accounting Policies

Basis of Accounting

The Authority prepares its financial statements on the accrual basis of accounting and economic resource measurement focus in accordance with accounting principles generally accepted in the United States of America. The Authority follows GASB accounting pronouncements, while the discretely presented component unit financial statements are presented in accordance with Financial Accounting Standards Board (FASB) pronouncements.

Use of Estimates

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

Note 2 - Significant Accounting Policies (Continued)

Cash and Cash Equivalents

Cash and cash equivalents include cash and investments in highly liquid investments with an original maturity of three months or less when purchased. At December 31, 2025 and 2024, cash equivalents consisted primarily of operational depository accounts, checking accounts, and repurchase agreements.

Investments and Restricted Investments

Investments consist of U.S. Treasurys and government obligations, asset-backed securities, corporate notes and bonds, mutual funds, and certificates of deposit. Investments are carried at fair value, which is based upon quoted market prices, except the bond reserve funds invested in guaranteed investment contracts, which are carried at cost. Money market accounts, local government investment pools, and investments whose maturities at the time of acquisition are one year or less are classified as short-term investments. All other investments are classified as long term.

Restricted investments include the unspent proceeds of the Series 2025A bonds and assets held in investment accounts restricted for future debt service, as specified in the related bond agreement.

Interest, dividends, and realized and unrealized gains and losses, based on the specific-identification method, are included in nonoperating revenue and expenses when earned or realized.

Patient Accounts Receivable

Patient accounts receivable are stated at net realizable value. An allowance for uncollectible accounts is established on an aggregate basis by using historical write-off factors applied to unpaid amounts based on aging and other factors. Loss rate factors are based on historical loss experience and adjusted for economic conditions and other trends affecting the Authority's ability to collect outstanding amounts. Uncollectible amounts are written off against the allowance for uncollectible accounts in the period they are determined to be uncollectible. An allowance for contractual adjustments is based on expected payment rates from payors based on current reimbursement methodologies.

Premium Revenue and Premiums Receivable

DHMP maintains contracts with the Colorado Department of Health Care Policy and Financing (HCPF) for Child Health Plans (CHP) and Medicaid Choice. Under these contracts, premium payments are recorded based on plan membership and recognized in the period in which services are provided. Medical loss ratio (MLR) rebates payable are recorded when DHMP’s experience does not meet or exceed the contractual guidelines established by HCPF.

The Centers for Medicare & Medicaid Services (CMS) pays a fixed monthly premium per member to DHMP for the entire plan year.

For qualifying low-income members, CMS pays a portion or all of the member's monthly premiums to DHMP on the member's behalf. Premiums are reported net of rebates to policyholders when the actual medical loss ratio falls below the thresholds mandated by the Patient Protection and Affordable Care Act.

Premiums receivable represent coverage for amounts earned through December 31 but are uncollected. All accounts or portions thereof deemed to be uncollectible or requiring excessive collection costs are charged to expenses in the period they are determined to be uncollectible.

Note 2 - Significant Accounting Policies (Continued)

DHMP is subject to the risk-sharing provisions of the Affordable Care Act, which includes risk adjustment. Premium adjustments pursuant to the risk adjustment program will be based on the risk scores (health status) of enrollees participating in risk adjustment covered plans, rather than the actual loss experience of the insured. Risk adjustment receivables or payables are estimated based on the determinations of DHMP's risk score versus the overall market risk score. While management believes these estimates are accurate, it is reasonably possible that a change in estimate will occur in the near term as a result of actual risk scores differing from projected risk scores. DHMP recorded a risk adjustment receivable as of December 31, 2025 and 2024, which is included within premium receivables on the statement of net position in the amount of $27,848,716 and $20,935,863, respectively.

Reinsurance

DHMP reinsures portions of certain insurance policies it writes, thereby providing a greater diversification of risk and minimizing exposure on larger risks. DHMP remains contingently at risk with respect to any reinsurance ceded and would incur an additional loss if an assuming company were unable to meet its obligation under the reinsurance agreements.

Ceded reinsurance premiums are recognized on the same basis as the premiums are earned on the underlying insurance contracts. Premiums earned and losses incurred are reflected in the accompanying financial statements, net of related reinsurance.

Amounts that have been submitted to the reinsurer for reimbursement and not yet collected as of December 31, 2025 and 2024 are reported as reinsurance receivables. Amounts related to potential future recoveries on unpaid claim reserves are reported as an offset to unpaid claims and reserves.

Inventories

Inventories, which consist primarily of medical and surgical supplies, pharmaceuticals, and food products, are stated at the lower of cost or market, with cost determined on an average-cost basis.

Capital Assets

Capital assets are recorded at cost at the date of acquisition or acquisition value at the date of donation if acquired by gift. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. The Authority uses the estimated useful lives recommended by the American Hospital Association. Useful lives for building and improvements are 15 to 40 years and equipment and software are 3 to 20 years. The Authority's capitalization threshold for capital purchases is $5,000, $10,000 for leases, and $100,000 for subscription assets.

Leased Assets

Leased assets are initially recorded at the initial measurement of the lease payable, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Leased assets are amortized using the straight-line method over the shorter of the lease term or the useful life of the underlying asset.

Subscription Assets

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at or before the commencement of the subscription-based information technology arrangement (SBITA) term, less any SBITA vendor incentives received from the SBITA vendor and certain payments made before the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying IT asset.

Note 2 - Significant Accounting Policies (Continued)

Capital, Leased, and Subscription Asset Impairment

The Authority evaluates capital, leased, and subscription assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital, leased, and subscription asset has occurred. If a capital, leased, or subscription asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected, capital, leased, or subscription asset historical cost and related accumulated depreciation or amortization are decreased proportionately such that the net decrease equals the impairment loss. No asset impairment was recognized during the years ended December 31, 2025 or 2024.

Compensated Absences

The Authority's policies permit most employees to accumulate vacation and sick leave benefits that may be realized as paid time off or, in limited circumstances, as a cash payment. A liability is accrued for compensated absences as the benefits are earned if the leave is more likely than not to be used for time off or settled in cash.

Compensated absence liabilities are computed using the regular pay in effect at the statement of net position date plus an additional amount for salary-related payments, such as Social Security and Medicare taxes computed using rates in effect at that date. The estimated compensated absences liability expected to be paid more than one year after the statement of net position date is included in long-term liabilities.

The Authority has recorded a long-term liability for supplemental sick leave benefits for certain employees that were eligible for this benefit as of January 1, 1997, at the time the Department of Health and Hospital's Enterprise Fund was transferred to the Authority.

Unearned Revenue

Unearned revenue consists primarily of advance payments received for the Disproportionate Share Hospital (DSH) Program and Upper Payment Limit (UPL) Programs, as well as RMDS contract revenue received in advance of performing contract services.

Accrued Claims

Unpaid claims and claim adjustment expenses represent the estimated liability for claims reported, plus claims incurred but not reported and the related claims adjustment expenses. The reserve for unpaid claims and claim adjustment expenses is estimated by management and an independent third-party actuary based on DHMP's historical experience. Such liabilities are based on assumptions and estimates, and, while management believes the amounts are adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for determining such estimates and for establishing the resulting liability are periodically reviewed and any adjustments are reflected in the period adjusted.

Cost-sharing Defined Benefit Pension Plan

The Authority participates in a cost-sharing multiple-employer defined benefit pension plan, Denver Employees Retirement Plan (DERP). For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of DERP and additions to/deductions from DERP's fiduciary net position have been determined on the same basis as they are reported by DERP. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The proportionate shares for the DHHA and the non-DHHA employers in aggregate are determined based on their relative shares of the unfunded actuarial liability (UAL) from the prior actuarial valuation.

Note 2 - Significant Accounting Policies (Continued)

Cost-sharing Defined Benefit Other Postemployment Benefit Plan

The Authority participates in a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan, the OPEB DERP Plan. For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB DERP Plan and additions to/deductions from the OPEB DERP Plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB DERP Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The proportionate shares for the DHHA and the non-DHHA employers in aggregate are determined based on their relative shares of the unfunded actuarial liability from the prior actuarial valuation.

Deferred Outflows of Resources and Deferred Inflows of Resources

The Authority reports in a separate section of its statement of net position the consumption of net position that is applicable to a future reporting period as deferred outflows of resources and reports the acquisition of net position that is applicable to a future reporting period as deferred inflows of resources.

The Authority reports deferred outflows of resources for pension benefits, other postemployment benefits, acquisitions, and loss on refunding of debt. The Authority reports deferred inflows of resources for pension benefits, other postemployment benefits, and leases.

Deferred Loss on Refunding

The cost of debt refunding is deferred and amortized using the straight-line method over the remaining life of the old debt or the life of the new debt, whichever is shorter, and reported as deferred outflows of resources on the Authority's statement of net position.

Net Position

The Authority's net position is classified as follows:

Net Investment in Capital Assets

Net investment in capital assets consists of capital, leased, and subscription assets net of accumulated depreciation and amortization and reduced by the outstanding balances of borrowings, lease, and subscription liabilities used to finance the purchase, use, construction, or improvement of those assets. Any significant unspent related debt proceeds and the corresponding portion of the debt would be included in either restricted or unrestricted net position.

Unrestricted

Unrestricted net position consists of the remaining net position that does not meet the definition of net investment in capital assets or restricted net position.

When the Authority has both restricted and unrestricted resources available to finance a particular program, it is the Authority's policy to use restricted resources before unrestricted resources.

Revenue and Expenses

The Authority's statement of revenue, expenses, and changes in net position distinguishes between operating and nonoperating revenue and expenses. Operating revenue result from exchange transactions associated with providing health care services and includes patient service revenue and other revenue. Nonoperating revenue includes sales tax revenue, interest income and unrealized gains/losses on investments, change in equity in joint venture, grant revenue, and gains/losses on disposition of capital assets. Nonoperating expenses include interest expense on outstanding debt. Operating expenses are all expenses incurred to provide health care services, excluding financing costs.

Note 2 - Significant Accounting Policies (Continued)

Net Patient Service Revenue

The Authority has agreements with third-party payors that provide for payments to the Authority at amounts different from its established rates. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered and includes estimated retroactive revenue adjustments and a provision for uncollectible accounts. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such estimated amounts are revised in future periods as adjustments become known.

Federal, State, and Other Grants

Grants and contracts consist primarily of contractual agreements with governments and private entities for the Authority to conduct research and education and to provide health care services. These agreements represent exchange transactions between the Authority and the grantors and, accordingly, are included in operating activities. Revenue is recognized under these agreements as related expenses are incurred or upon achieving milestones depending on respective grant covenants.

Poison and Drug Safety Contracts

Poison and drug safety contract revenue is derived primarily from contractual agreements with public and private entities for the provision of a medical call center and other consultative services. Revenue is recognized based on the performance of contract deliverables or as related (cost-reimbursable) expenses are incurred.

Income Taxes

The income generated by the Authority, as an instrumentality of the State, is excluded from federal income taxes under Section 115 of the Internal Revenue Code (the "Code"). However, taxes will be assessed on income derived from business activities not substantially related to the Authority’s, CCPPS's, 550 Acoma Inc.'s, Centennial's, or DHRC's exempt function (unrelated business income).

Sales Tax Revenue

On November 5, 2024, ballot measure 2Q passed in the City and County of Denver, Colorado, which implemented a 0.34 percent sales tax to support operational costs of the Authority starting on January 1, 2025. The sales tax revenue is subject to settlement with the City and County of Denver, Colorado in the spring of each year.

Adoption of New Accounting Pronouncement

In December 2023, the Governmental Accounting Standards Board issued Statement No. 102, *Certain Risk Disclosures*, which requires governments to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. It also requires governments to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If certain criteria are met for a concentration or constraint, disclosures are required in the notes to the financial statements. The Authority adopted the provisions of this statement during the year ended December 31, 2025 and concluded that no material concentrations or constraints existed that required disclosure.

Note 2 - Significant Accounting Policies (Continued)

Upcoming Accounting Pronouncements

In April 2024, the Governmental Accounting Standards Board issued Statement No. 103, *Financial Reporting Model Improvements*, which establishes new accounting and financial reporting requirements or modifies existing requirements related to the following: management's discussion and analysis; unusual or infrequent items; presentation of the proprietary fund statement of revenue, expenses, and changes in fund net position; information about major component units in basic financial statements; budgetary comparison information; and financial trends information in the statistical section. The provisions of this statement are effective for the Authority's financial statements for the year ending December 31, 2026. Management is currently assessing the impact of the new standard on its financial statements.

In September 2024, the Governmental Accounting Standards Board issued Statement No. 104, *Disclosure of Certain Capital Assets*, which requires certain types of capital assets, such as lease assets, intangible right-to-use assets, subscription assets, and other intangible assets, to be disclosed separately by major class of underlying asset in the capital assets note. This statement also requires additional disclosures for capital assets held for sale. The provisions of this statement are effective for the Authority's financial statements for the year ending December 31, 2026. Management is currently assessing the impact of the new standard on its financial statements.

In December 2025, the Governmental Accounting Standards Board issued Statement No. 105, *Subsequent Events*, which clarifies the requirements for reporting transactions or other events that occur after the financial statement date but before the statements are available to be issued. The provisions of this statement are effective for the Authority's financial statements for the year ending December 31, 2027.

Note 3 - Net Patient Service Revenue

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

Medicare

Inpatient acute-care services and rehabilitation services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Hospital outpatient services are reimbursed on a prospective payment system. Outpatient services and procedures that are clinically comparable and use similar resources are grouped into Ambulatory Payment Classifications. Federally Qualified Healthcare (FQHC) services rendered to Medicare program beneficiaries are paid under a prospective payment system (PPS). Medicare payment, including patient coinsurance, is paid based on the lesser of the Authority’s actual charge or the applicable PPS rate. The Authority is also reimbursed for certain capital and medical education costs and allowable bad debts at a tentative rate with final settlement determined after submission of annual cost reports by the Authority and audits thereof by the Medicare administrative contractor. The Authority’s classification of patients under the Medicare program and the appropriateness of the admissions are subject to an independent audit by a peer review organization under contract with the Authority. The Authority’s Medicare cost reports have been audited by the Medicare administrative contractor through December 31, 2021.

Note 3 - Net Patient Service Revenue (Continued)

Medicaid

Inpatient services rendered to Medicaid program beneficiaries are reimbursed under a prospectively determined system similar to Medicare. Outpatient services rendered are paid prospectively under the Enhanced Ambulatory Patient Grouping (EAPG) System, a patient classification system that is based on clinical, diagnostic, and other factors. Federally Qualified Healthcare services rendered to Medicaid program beneficiaries are paid at the higher of prospective payment system rates or alternative payment rates, which are calculated based on an inflated cost per visit. The Authority's Medicaid cost reports have been audited by the Colorado Department of Health Care Policy and Financing through the year ended December 31, 2016.

Other Payors

The Authority has also entered into payment agreements with commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Authority under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined rates per day or visit.

Indigent Care, Charity Care, and Community Service

The Authority, as part of its mission, provides health care services to city residents, regardless of ability to pay. Many of the Authority's patients are unable to obtain benefits from insurance companies or do not have personal resources to cover costs. The financial burden, however, is in part offset by various federal, state, local, and private programs in which such patients are enrolled. The costs of charity care provided under the Authority's charity care policy was approximately $73,183,000 and $94,365,000 for the years ended December 31, 2025 and 2024, respectively, based on cost to charge ratios.

Records are maintained to identify and monitor the level of charity care the Authority provides based on cost to charge ratios. These records include the amount of charges foregone for services and supplies furnished under its charity care policy. This policy directly relates to that of the Colorado Disproportionate Share Hospital Program (DSH Program).

Gross patient service revenue earned, based on the Authority's established rates, during the years ended December 31, 2025 and 2024 are as follows:

	2025	2024
Gross charges, including charges forgone for charity	$ 3,568,794,427	$ 3,322,816,841
Charges forgone for charity care	(245,635,809)	(305,424,443)
Gross patient service revenue	3,323,158,618	3,017,392,398
Contractual adjustments	(2,246,154,329)	(2,003,719,732)
Provision for bad debts	(205,681,592)	(211,245,478)
Net patient service revenue	$ 871,322,697	$ 802,427,188

The level of uncompensated care provided, based on the Authority's established rates, during the years ended December 31, 2025 and 2024 are as follows:

	2025	2024
Contractual adjustments	$ 2,246,154,329	$ 2,003,719,732
Provision for bad debts	205,681,592	211,245,478
Charity care	245,635,809	305,424,443
Total uncompensated care	$ 2,697,471,730	$ 2,520,389,653

Note 3 - Net Patient Service Revenue (Continued)

The Authority receives partial reimbursement for uncompensated care from the DSH Program, provider fee payments, and the City. The Authority estimates the level of uncompensated care by payor classification based on established rates.

Note 4 - Disproportionate Share Hospital (DSH) Program and Upper Payment Limit (UPL) Programs

The Authority participates in the DSH Program. The Authority qualifies as a DSH as it serves a high proportion of medically indigent and uninsured patients. The DSH Program was created in 1991 through an amendment to the Colorado State Medicaid Program and was approved by the Centers for Medicare & Medicaid Services.

Under the DSH Program, the State utilizes a provider fee as the local match for federal funding. The State pays the Authority two months in advance at the end of the year. This results in unearned revenue included in the statement of net position. The State paid the Authority approximately $25,386,000 and $23,233,000 in advance for the years ended December 31, 2025 and 2024, respectively. The payments received through the DSH Program are based on the cost of uncompensated charity care. Laws and regulations governing the DSH programs are complex and subject to interpretation and change. The Authority has ongoing communications with the state regarding annual settlements. As a result, it is reasonably possible that recorded estimates will change materially in the near term.

In addition, the Authority receives UPL reimbursements, which is designed to increase the Medicaid reimbursement rate up to the Authority's Medicaid cost not to exceed the Medicare reimbursement rate.

The provider fee serves as the state match for federal DSH and UPL funds, which are drawn by the State and paid to the Authority using the provider fee methodology developed as part of the Colorado Healthcare Affordability Act. The Authority recognizes revenue to align with the current state fiscal year to which the award relates. The revenue is based on the initial award amount communicated and adjusted when it is approved by the State of Colorado. The Authority recognizes revenue in the year in which notification of the award amount has been received and ratably over the state fiscal year. The Authority recorded safety net reimbursements (net of provider fee expense paid) totaling approximately $132,700,000 and $121,900,000 for the years ended December 31, 2025 and 2024, respectively. The Authority records as expense the corresponding provider fee assessment due to the State and the Colorado Hospital Association.

The Colorado Healthcare Affordability Act, designated as House Bill 1293 (HB 1293), was passed during 2009 implementing a fee on hospitals to generate matching funds to the State from federal sources. Implementation of this act occurred during April 2010. HB 1293 was superseded by Senate Bill 17-267, which repealed the hospital provider fee and created the Colorado Healthcare Accountability and Sustainability Enterprise (CHASE). The Authority also received $5,000,000 in 2025 and 2024 in state General Fund revenue for the use of other medical services from State Bills 23-138 and 23-214.

Note 4 - Disproportionate Share Hospital (DSH) Program and Upper Payment Limit (UPL) Programs (Continued)

The resulting safety net revenue for 2025 and 2024 had the following effect on the financial statements:

	2025	2024
Medicaid Disproportionate Share revenue	$ 145,107,936	$ 92,534,721
Supplemental Medicaid base rate revenue	-	30,703,899
Supplemental Medicaid outpatient hospital revenue	-	7,794,311
Hospital quality incentive payment	11,045,266	10,285,734
Total hospital provider fee revenue	156,153,202	141,318,665
Provider fee expense (included in contracted services and nonmedical supplies)	(51,224,874)	(42,671,101)
Total net hospital provider fee	$ 104,928,328	$ 98,647,564
Total hospital provider fee revenue	$ 156,153,202	$ 141,318,665
Ambulance Upper Payment Limit revenue	2,456,513	2,471,626
Primary care funds	10,763,654	10,011,287
Physician certification revenue	9,589,126	5,773,540
State General Fund revenue	5,000,000	5,000,000
Total safety net revenue	$ 183,962,495	$ 164,575,118

At December 31, 2025 and 2024, the Authority had a prepaid asset for provider fee expense, which is recorded on the statement of net position in the amounts of approximately $8,363,000 and $7,622,000, respectively.

Note 5 - Deposits, Investments, and Restricted Investments

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The Authority's deposit policy for custodial credit risk requires compliance with the provisions of state law.

Colorado Statutes require that the Authority use eligible depositories for all cash deposits, as defined by the Public Deposit Protection Act (PDPA). Under PDPA, the depository is required to pledge eligible collateral having a market value at all times equal to at least 102 percent of the aggregate public deposits held by the depository not insured by the Federal Deposit Insurance Corporation (FDIC).

The Authority uses eligible depositories for all its deposits and investments. Remaining cash balances are swept daily to a Class I money market account or AAAm rated local government investment pool. Any cash balances in other bank accounts are negligible and covered by FDIC insurance.

Note 5 - Deposits, Investments, and Restricted Investments (Continued)

Cash, cash equivalents, and investments at December 31, 2025 and 2024 are listed below.

	2025	2024
Cash and cash equivalents	$ 164,935,237	$ 81,534,576
Long-term investments:		
Mortgage-backed securities	32,409,024	20,464,284
U.S. government agency notes	3,673,638	4,711,357
Corporate bonds	157,417,686	142,158,945
Corporate asset-backed bonds	3,360,446	4,107,291
Municipal bonds	24,022,010	24,343,865
Certificates of deposit	2,000,000	-
U.S. government treasury bills	9,641,927	6,655,922
Mutual funds:		
Global equity fund	13,700,955	10,338,063
Commodity and commodity futures fund	7,344,359	5,226,940
Debt fund	51,188,194	45,497,970
Domestic equity fund	33,860,518	25,906,967
International equity fund	5,074,222	2,275,018
Alternative funds	11,224,083	13,022,915
Total long-term investments	354,917,062	304,709,537
Total cash, cash equivalents, and investments, excluding restricted investments	$ 519,852,299	$ 386,244,113

Restricted investments at December 31, 2025 and 2024 are as follows:

	2025	2024
Bond proceeds restricted as provided in bond agreements:		
Cash equivalents	$ 118,243,239	$ 8,605,146
Guaranteed investment contract	12,800,600	12,800,600
Corporate bonds - DHMP	1,291,032	1,054,984
Total restricted investments	$ 132,334,871	$ 22,460,730

Credit Risk

The Authority's investment policy applies the prudent person standard and is applied in the context of managing an overall portfolio. Investment responsibilities shall be undertaken "with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use."

The Authority's investments are restricted to the following Standard & Poor's (S&P) or equivalent investment quality ratings or higher:

- Straight-debt securities - BBB- and up to 10 percent of the portfolio may be rated below investment grade
- Asset-backed securities - A-
- Money market mutual funds - AAA
- Local government investment pools - AAAm-G or AAAm
- U.S. Treasurys and U.S. government agencies - AA+

Note 5 - Deposits, Investments, and Restricted Investments (Continued)

The Authority or its managers may purchase bonds of state governments, local governments, or corporations. New purchases will primarily be rated at a minimum Baa3/BBB- by any of the rating agencies; however, up to 10 percent of the combined portfolio may be rated below investment grade.

The following is a summary of the Authority's investments at December 31, 2025 and 2024 with average credit ratings based on S&P ratings or equivalent:

	2025		2024	
	Investments	S&P Rating	Investments	S&P Rating
Cash and cash equivalents:				
Cash and cash equivalents	$ 33,790,997	N/A	$ (1,313,991)	N/A
Demand deposit account	45,498,675	N/A	50,834,063	N/A
Class I or government money market fund	85,645,565	N/A	32,014,504	N/A
Total cash and cash equivalents	164,935,237		81,534,576	
Long-term investments:				
Mortgage-backed securities	130,998	AAA	153,250	AAA
Mortgage-backed securities	30,102,811	AA+	16,929,952	AA+
Mortgage-backed securities	2,175,215	N/A	3,381,082	N/A
U.S. government agency notes	3,673,638	AA+	4,711,357	AA+
Certificates of deposit	2,000,000	N/A	-	N/A
Corporate bonds	1,192,790	AAA	1,315,456	AAA
Corporate bonds	1,061,698	AA	1,981,435	AA
Corporate bonds	5,015,582	AA-	12,887,145	AA-
Corporate bonds	9,885,247	A+	5,536,534	A+
Corporate bonds	20,056,105	A	15,463,364	A
Corporate bonds	34,804,003	A-	27,988,746	A-
Corporate bonds	42,411,678	BBB+	44,368,467	BBB+
Corporate bonds	25,532,119	BBB	25,882,682	BBB
Corporate bonds	7,963,426	BBB-	5,121,678	BBB-
Corporate bonds	530,625	BB+	521,250	BB+
Corporate bonds	8,964,413	N/A	1,092,188	N/A
Corporate asset-backed bonds	426,462	AAA	561,539	AAA
Corporate asset-backed bonds	473,276	A	548,695	A
Corporate asset-backed bonds	992,793	A-	961,253	A-
Corporate asset-backed bonds	450,240	BBB	447,868	BBB
Corporate asset-backed bonds	1,017,675	N/A	1,587,936	N/A
Municipal bonds	-	AA+	494,490	AA+
Municipal bonds	9,985,136	AA	7,835,345	AA
Municipal bonds	1,403,740	AA-	3,638,761	AA-
Municipal bonds	980,122	A+	943,620	A+
Municipal bonds	9,615,490	BBB+	9,454,245	BBB+
Municipal bonds	2,037,522	N/A	1,977,404	N/A
U.S. government treasury bills	9,641,927	N/A	6,655,922	N/A
Open-end mutual funds	122,392,331	N/A	102,267,873	N/A
Total long-term investments	354,917,062		304,709,537	
Total cash, cash equivalents and investments, excluding restricted investments	$ 519,852,299		$ 386,244,113	

Note 5 - Deposits, Investments, and Restricted Investments (Continued)

The following is a summary of the Authority's restricted investments at December 31, 2025 and 2024 with average credit ratings based on S&P ratings or equivalent:

	2025		2024	
	Investments	S&P Rating	Investments	S&P Rating
Bond proceeds restricted as provided in bond agreements:				
Cash equivalents	$ 118,243,239	N/A	$ 8,605,146	N/A
Guaranteed investment contract	12,800,600	A	12,800,600	A
Corporate bonds	-	N/A	473,706	A-
Corporate bonds	700,661	BBB+	-	N/A
Corporate bonds	590,371	BBB	581,278	BBB
Total restricted investments	$ 132,334,871		$ 22,460,730	

Interest Rate Risk

The Authority's investment policy manages exposure to market value losses arising from rising interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby minimizing the need to sell securities on the open market prior to maturity. The Authority manages its fixed-income securities such that the average duration of all such securities is less than six years. The duration of total assets must be less than six years. The following is a summary of the duration, weighted-average maturity of the portfolio, and weighted-average effective maturity as of December 31, 2025:

Portfolio Component	Investments	Duration	Weighted-average Maturity (Years)	Weighted-average Effective Maturity (Years)
Mortgage-backed securities	$ 32,409,024	4.10	20.66	13.90
U.S. government agency notes	3,673,638	6.39	20.519	20.519
Corporate bonds	157,417,686	5.39	8.38	8.13
Corporate asset-backed bonds	3,360,446	1.67	26.08	7.78
Municipal bonds	24,022,010	4.36	6.67	5.73
U.S. government treasury bills	9,641,927	6.39	8.18	8.18
Total components	$ 230,524,731			

The following is a summary of the duration, weighted-average maturity of the portfolio, and weighted-average effective maturity as of December 31, 2024:

Portfolio Component	Investments	Duration	Weighted-average Maturity (Years)	Weighted-average Effective Maturity (Years)
Mortgage-backed securities	$ 20,464,284	4.48	18.37	13.39
U.S. government agency notes	4,711,357	3.07	16.39	13.52
Corporate bonds	142,158,945	4.08	7.27	7.05
Corporate asset-backed bonds	4,107,291	1.40	20.61	3.71
Municipal bonds	24,343,865	4.96	7.78	6.87
U.S. government treasury bills	6,655,922	7.42	9.81	9.81
Total components	$ 202,441,664			

Note 5 - Deposits, Investments, and Restricted Investments (Continued)

Concentration of Credit Risk

The Authority's investment policy requires diversification of the portfolio to limit credit risk and states as follows:

Diversification

The investments shall be diversified by:

i. Limiting investments to avoid over concentration in securities from a specific issuer or business

ii. Limiting investments in securities that have higher credit risks

iii. Investing in securities with varying maturities

iv. Continuously investing a portion of the portfolio in readily available funds, such as money market accounts, repurchase agreements, local government investment pools, and bank account sweep programs, to ensure that appropriate liquidity is maintained in order to meet ongoing obligations

v. No single financial institution will hold more than 5 percent of the Authority's portfolio value, excluding U.S. government or U.S. government agency securities.

vi. The following maximum limits, by investment type, are established for the Authority's total investments portfolio, including cash and cash equivalents. The investment policy statement limits outlined below take into consideration DHMP investments. It is the intent of the Authority to invest in the following investment categories. The percentage stated is a "not to exceed" limitation. Investments are not required in every investment type. For example, it is permitted to own 80 percent in agency securities and 20 percent in repurchase agreements and own no other securities.

Investment Type	Maximum Percentage of Portfolio
Repurchase agreements	25 %
Collateralized certificates of deposit	25
U.S. Treasury notes and bills	100
U.S. government agency securities	90
U.S. government CMOs	20
Bankers acceptances	10
Commercial paper	50
Money market funds/Local govt invest pools	30
State and local government bonds	50
Corporate bonds	75
Commercial asset-backed securities	25
Plus sector funds	5
Long-term growth portfolio (mutual funds)	33

vii. Additional investments established for bond proceeds include the above investment contract and flexible repurchase agreements (Flex Repos), which can be up to 100 percent of bond proceeds.

In the event that an allocation percentage is exceeded, such event is disclosed to the finance committee of the board of directors and corrected as soon as possible. Management believes the portfolio was in compliance with the allocation percentages as of December 31, 2025 and 2024.

Note 6 - Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-specific measurement. As a basis for considering market participant assumptions in fair value measurements, the Authority utilizes the U.S. GAAP fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumption about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

The inputs used to measure fair value are classified into the following fair value hierarchy:

Level 1

Quoted market prices in active markets for identical assets.

Level 2

Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3

Unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets.

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

Note 6 - Fair Value Measurements (Continued)

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2025 and 2024. The table as of December 31, 2025 below does not include certificates of deposit of $2,000,000, which are included in long-term investments in the statement of net position but excluded from the table below as they are not recorded at fair value.

	Assets Measured at Fair Value on a Recurring Basis at December 31, 2025			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2025
Long-term investments:				
Mortgage-backed securities	$ -	$ 32,409,024	$ -	$ 32,409,024
U.S. government agency notes	-	3,673,638	-	3,673,638
Corporate bonds	-	157,417,686	-	157,417,686
Corporate asset-backed bonds	-	3,360,446	-	3,360,446
Municipal bonds	-	24,022,010	-	24,022,010
U.S. government treasury bills	9,641,927	-	-	9,641,927
Mutual funds:				
Global equity fund	13,700,955	-	-	13,700,955
Commodity and commodity futures fund	7,344,359	-	-	7,344,359
Debt fund	51,188,194	-	-	51,188,194
Domestic equity fund	33,860,518	-	-	33,860,518
International equity fund	5,074,222	-	-	5,074,222
Alternative funds	11,224,083	-	-	11,224,083
Total	$ 132,034,258	$ 220,882,804	$ -	$ 352,917,062

	Assets Measured at Fair Value on a Recurring Basis at December 31, 2024			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2024
Long-term investments:				
Mortgage-backed securities	$ -	$ 20,464,284	$ -	$ 20,464,284
U.S. government agency notes	-	4,711,357	-	4,711,357
Corporate bonds	-	142,158,945	-	142,158,945
Corporate asset-backed bonds	-	4,107,291	-	4,107,291
Municipal bonds	-	24,343,865	-	24,343,865
U.S. government treasury bills	6,655,922	-	-	6,655,922
Mutual funds:				
Global equity fund	10,338,063	-	-	10,338,063
Commodity and commodity futures fund	5,226,940	-	-	5,226,940
Debt fund	45,497,970	-	-	45,497,970
Domestic equity fund	25,906,967	-	-	25,906,967
International equity fund	2,275,018	-	-	2,275,018
Alternative funds	13,022,915	-	-	13,022,915
Total	$ 108,923,795	$ 195,785,742	$ -	$ 304,709,537

Note 7 - Capital, Leased, and Subscription Assets

Capital, leased, and subscription assets consist of the following for the year ended December 31, 2025:

	January 1, 2025	Additions	Transfers	Disposals	December 31, 2025
Capital assets not being depreciated:					
Land	$ 43,119,902	$ -	$ 5,598,792	$ (506,947)	$ 48,211,747
Construction in progress	15,857,657	27,928,183	(27,724,989)	-	16,060,851
Total capital assets not being depreciated	58,977,559	27,928,183	(22,126,197)	(506,947)	64,272,598
Capital, leased, and subscription assets being depreciated:					
Buildings and improvements	904,408,501	-	13,451,953	(215,896)	917,644,558
Equipment and software	310,292,591	8,851,928	8,674,244	(24,456,379)	303,362,384
Leased asset - Building	14,675,345	-	-	(4,303,710)	10,371,635
Leased asset - Equipment	24,243,967	377,616	-	-	24,621,583
Subscription asset - Software	80,957,187	17,099,799	-	(3,132,205)	94,924,781
Total capital assets being depreciated	1,334,577,591	26,329,343	22,126,197	(32,108,190)	1,350,924,941
Accumulated depreciation and amortization:					
Buildings and improvements	463,616,159	27,329,042	-	(135,295)	490,809,906
Equipment and software	241,604,990	21,359,093	-	(21,693,358)	241,270,725
Leased asset - Building	7,956,215	1,705,947	-	(4,303,710)	5,358,452
Leased asset - Equipment	12,152,286	4,561,638	-	-	16,713,924
Subscription asset - Software	28,564,852	20,156,992	-	(3,132,205)	45,589,639
Total accumulated depreciation and amortization	753,894,502	75,112,712	-	(29,264,568)	799,742,646
Net capital, leased, and subscription assets	$ 639,660,648	$ (20,855,186)	$ -	$ (3,350,569)	$ 615,454,893

Note 7 - Capital, Leased, and Subscription Assets (Continued)

Capital, leased, and subscription assets consist of the following for the year ended December 31, 2024:

	January 1, 2024 (As Restated)	Additions	Transfers	Disposals	December 31, 2024
Capital assets not being depreciated:					
Land	$ 43,119,902	$ -	$ -	$ -	$ 43,119,902
Construction in progress	8,615,875	26,370,386	(19,128,604)	-	15,857,657
Total capital assets not being depreciated	51,735,777	26,370,386	(19,128,604)	-	58,977,559
Capital, leased, and subscription assets being depreciated:					
Buildings and improvements	911,488,864	930,284	5,444,800	(13,455,447)	904,408,501
Equipment and software	336,495,026	8,244,838	13,683,804	(48,131,077)	310,292,591
Leased asset - Building	29,613,403	4,477,072	(17,852,793)	(1,562,337)	14,675,345
Leased asset - Equipment	3,375,628	4,198,611	17,852,793	(1,183,065)	24,243,967
Subscription asset - Software	63,566,985	25,698,230	-	(8,308,028)	80,957,187
Total capital assets being depreciated	1,344,539,906	43,549,035	19,128,604	(72,639,954)	1,334,577,591
Accumulated depreciation and amortization:					
Buildings and improvements	446,937,516	30,134,090	-	(13,455,447)	463,616,159
Equipment and software	264,240,436	23,903,369	-	(46,538,815)	241,604,990
Leased asset - Building	11,618,419	5,067,744	(7,167,611)	(1,562,337)	7,956,215
Leased asset - Equipment	2,013,352	3,628,707	7,167,611	(657,384)	12,152,286
Subscription asset - Software	20,169,966	16,702,914	-	(8,308,028)	28,564,852
Total accumulated depreciation and amortization	744,979,689	79,436,824	-	(70,522,011)	753,894,502
Net capital, leased, and subscription assets	$ 651,295,994	$ (9,517,403)	$ -	$ (2,117,943)	$ 639,660,648

Commitments

The Authority entered into multiple construction contracts to remodel existing buildings and to construct new buildings during 2025 and prior. Under these contracts, the Authority has committed to pay contractors approximately $108 million in future periods, which will be funded through a combination of debt proceeds, funding from the City and cash and investment reserves.

Note 8 - Concentrations of Credit Risk

The Authority grants credit without collateral to its patients, most of whom are residents of the City and, except for the patient self-pay category, are generally insured under third-party payor agreements. Net patient accounts receivable by payor category at December 31, 2025 and 2024 are as follows:

	2025	2024
Medicare	$ 23,923,734	$ 22,663,895
Medicaid	28,656,563	32,305,026
Commercial insurance carriers	53,443,908	46,600,022
Patient self-pay	11,933,188	8,271,958
Total	$ 117,957,393	$ 109,840,901

At December 31, 2025 and 2024, due from governmental entities is as follows:

	2025	2024
Federal and state grants	$ 13,028,805	$ 17,749,401
Safety net and other programs:		
Physician certification	6,800,001	5,500,002
Primary care funds	1,437,141	2,582,766
Medicaid Graduate Medical Examination	1,604,972	1,753,312
Ambulance UPL	1,800,000	1,800,000
HCP Enrollment Services Contract	1,510,710	1,265,825
SFY26 Provider Stabilization Fund	1,929,087	-
Total safety net and other programs	15,081,911	12,901,905
Total	$ 28,110,716	$ 30,651,306

Note 9 - Long-term Debt, Lease, and SBITA Liabilities

Long-term debt activity for the years ended December 31, 2025 and 2024 can be summarized as follows:

	2025				
	Beginning Balance	Additions	Principal Payments and Amortization	Ending Balance	Due within One Year
Direct borrowings and direct placements:					
Series 2017A	$ 69,942,900	$ -	$ (5,446,492)	$ 64,496,408	$ 5,245,000
Series 2019B	20,275,000	-	(2,810,000)	17,465,000	3,945,000
Series 2022	11,285,046	-	(1,480,000)	9,805,046	1,530,000
Other long-term debt	1,335,181	-	(135,181)	1,200,000	1,200,000
Total direct borrowings and direct placements	102,838,127	-	(9,871,673)	92,966,454	11,920,000
Other debt:					
Series 2014	71,302,030	-	(1,861,287)	69,440,743	845,000
Series 2019A	94,174,348	-	(680,897)	93,493,451	-
550 Acoma Inc. notes payable	37,028,537	-	(904,314)	36,124,223	840,000
Series 2025A	-	116,271,914	(60,802)	116,211,112	-
Total other debt	202,504,915	116,271,914	(3,507,300)	315,269,529	1,685,000
Total long-term debt	305,343,042	116,271,914	(13,378,973)	408,235,983	13,605,000
Lease liabilities	21,657,646	-	(6,116,520)	15,541,126	5,314,498
Subscription liabilities	48,529,833	17,096,753	(21,021,058)	44,605,528	19,152,647
Total	$ 375,530,521	$ 133,368,667	$ (40,516,551)	$ 468,382,637	$ 38,072,145

	2024				
	Beginning Balance	Additions	Principal Payments and Amortization	Ending Balance	Due within One Year
Direct borrowings and direct placements:					
Series 2017A	$ 75,154,392	$ -	$ (5,211,492)	$ 69,942,900	$ 4,995,000
Series 2019B	26,005,000	-	(5,730,000)	20,275,000	2,810,000
Series 2022	12,720,046	-	(1,435,000)	11,285,046	1,480,000
Other long-term debt	1,700,181	-	(365,000)	1,335,181	135,181
Total direct borrowings and direct placements	115,579,619	-	(12,741,492)	102,838,127	9,420,181
Other debt:					
Series 2014	72,848,317	-	(1,546,287)	71,302,030	1,825,000
Series 2019A	94,855,245	-	(680,897)	94,174,348	-
550 Acoma Inc. notes payable	37,892,851	-	(864,314)	37,028,537	805,000
Total other debt	205,596,413	-	(3,091,498)	202,504,915	2,630,000
Total long-term debt	321,176,032	-	(15,832,990)	305,343,042	12,050,181
Lease liabilities	21,573,969	8,675,683	(8,592,006)	21,657,646	6,110,911
Subscription liabilities	43,477,872	25,476,384	(20,424,423)	48,529,833	17,061,001
Total	$ 386,227,873	$ 34,152,067	$ (44,849,419)	$ 375,530,521	$ 35,222,093

Note 9 - Long-term Debt, Lease, and SBITA Liabilities (Continued)

Debt Service Requirements to Maturity

Annual debt service requirements to maturity for the above long-term debt liabilities are as follows:

	Total Debt		Direct Borrowing and Placement Debt	
Years Ending December 31	Principal	Interest	Principal	Interest
2026	$ 13,605,000	$ 18,459,115	$ 11,920,000	$ 3,404,916
2027	12,880,000	17,981,754	9,995,000	3,013,073
2028	13,395,000	17,471,578	10,385,000	2,627,147
2029	13,925,000	16,939,027	10,785,000	2,224,295
2030	14,340,000	16,565,911	3,270,000	1,943,230
2031-2035	74,415,046	72,306,998	29,340,046	7,589,605
2036-2040	90,570,000	54,479,719	12,305,000	492,200
2041-2045	38,915,000	38,575,631	-	-
2046-2050	49,985,000	27,506,319	-	-
2051-2055	65,280,000	12,206,400	-	-
Total	$ 387,310,046	$ 292,492,452	$ 88,000,046	$ 21,294,466

2014 Revenue Bonds

In May 2014, the Authority issued $67,870,000 of Healthcare Revenue Bonds Series 2014A. These bonds had a net premium of approximately $1,146,000, which will be amortized over the life of the debt. The net proceeds of the bonds were used to renovate the Authority's inpatient care areas and improve and construct facilities at the main health care campus in accordance with master facilities planning. The 2014A Bonds bear interest rates from 4.00 percent to 5.25 percent, with principal payments beginning in 2027 through 2045 ranging from $2,000,000 to $5,470,000.

In May 2014, the Authority issued $16,945,000 of Healthcare Revenue Bonds Taxable Services 2014B Bonds. The net proceeds of the bonds were used by the Authority to make a loan to an investment fund created by a tax credit investor. The investor used the proceeds of the loan and also contributed $7,300,000 in order to facilitate the financing of the construction of an outpatient and urgent care clinic in southwest Denver. The 2014B Bonds bear interest from 1.70 percent to 5.15 percent, with principal payments beginning in 2016 and continuing through 2026 in amounts ranging from $845,000 to $2,255,000. The amounts reported in the table above for Series 2014 are net of unamortized bond premium of approximately $726,000 and $762,000 as of December 31, 2025 and 2024, respectively.

2017 and 2019 Revenue Bonds

In August 2017, the Authority issued $93,435,000 of Healthcare Revenue Bonds Series 2017A bearing interest from 4.0 percent to 5.0 percent, which is payable semiannually. The net proceeds of the bonds were used by the Authority to purchase and cancel $104,700,000 of the Authority's Healthcare Revenue Bonds, 2007A Bonds, and to pay the costs of issuance. Principal payments on the 2017A Bonds began in 2018 and continue through 2038 in amounts ranging from $3,550,000 to $12,305,000. The amounts reported in the table above for Series 2017A are net of unamortized bond premium of approximately $4,966,000 and $5,418,000 as of December 31, 2025 and 2024, respectively.

Note 9 - Long-term Debt, Lease, and SBITA Liabilities (Continued)

In September 2019, the Authority refunded the Series 2007B Bonds (including termination of the related swap agreement), 2009A Bonds, and 2015 COP with the net proceeds of the Series 2019A and 2019B Bonds. The 2019A Healthcare Revenue Bonds Series was issued for $83,280,000 with a premium of $14,525,798 and the 2019B privately placed series for $48,995,000. The 2019A Bonds bear interest of 4.00 percent to 5.00 percent, and the 2019B Bonds bear interest of 1.99 percent. Interest on both bond series are payable semiannually. The net proceeds were used by the Authority to purchase and cancel the above-mentioned debt and provide funding of $24,000,000 for construction projects on campus. The amounts reported in the table above for Series 2019 are net of unamortized bond premium of approximately $10,213,000 and $10,894,000 as of December 31, 2025 and 2024, respectively.

Principal payments on the 2019A Bonds will begin in 2030 and continue through 2040 in amounts ranging from $190,000 to $12,885,000. Principal payments on the 2019B Bonds began in 2020 and will continue through 2029 in amounts ranging from $2,810,000 to $7,645,000. At December 31, 2025 and 2024, the unamortized net deferred loss, which includes the 2007 deferred loss and 2009 deferred gain noted above, was approximately $9,132,000 and $10,492,000, respectively.

2022 Revenue Bonds

In June 2022, the Authority issued Healthcare Revenue Bonds, Series 2022 in order to provide funds to finance certain energy efficiency improvement and upgrades to the Authority's facilities and pay certain costs associated with the bond issuance. The 2022 Bonds were issued as a drawdown bond with a stated aggregate principal amount not to exceed $12,900,000 and principal amount due thereon to be only such amount as has been drawn down by the Authority. The 2022 Bonds bear interest at a rate of 3.33 percent with principal payments beginning in 2024 through 2031 ranging from $1,435,000 to $1,745,000.

2025 Revenue Bonds

In May 2025, the Authority issued $113,475,000 of Healthcare Revenue Bonds, Series 2025A. These bonds had a net premium of approximately $2,797,000, which will be amortized over the life of the debt. Series 2025A was issued in order to finance certain costs of the construction and equipping of health care facilities and a new parking structure, as well as to pay certain costs associated with the bond issuance. Series 2025A bears interest at rates from 5.00 percent to 6.00 percent, with principal payments beginning in 2041 through 2055 ranging from $890,000 to $14,620,000. The amounts reported in the table above for Series 2025A are net of unamortized bond premium of approximately $2,736,000 as of December 31, 2025.

Notes from Direct Borrowing and Direct Placements

The Authority's direct borrowings and direct placements contain provisions that in an event of default, outstanding amounts become immediately due if the Authority is unable to make payment and the Authority had pledged its revenue as part of its master trust indenture agreement. No other assets are assigned as collateral.

Debt Covenants

Per the Master Trust Indentures, the Authority's long-term debt service coverage ratio, calculated at the end of each fiscal year, cannot be less than 1.15. The Authority believes it is in compliance with these requirements.

Other Long-term Debt

In September 2007, the Authority entered into an agreement with the City to enable its acquisition of property for use in the construction and operation of a clinic providing health care services. The amount of the loan was $1,200,000, did not bear interest, and was repaid in full in January 2026.

Note 9 - Long-term Debt, Lease, and SBITA Liabilities (Continued)

In September 2018, the Authority created a Colorado nonprofit corporation, 550 Acoma, Inc. in order to obtain financing for a parking garage adjacent to the Authority's main campus. 550 Acoma Inc. issued $37,815,000 in a public offering. This financing was issued as a certificate of participation (COP). These COPs had a net premium of $3,012,526, which will be amortized over the life of the debt; the net unamortized bond premium as of December 31, 2025 and 2024 was approximately $2,284,000 and $2,384,000, respectively. The COPs bear interest from 4.00 percent to 5.00 percent with principal payments beginning on December 1, 2020 through December 1, 2048 ranging from $320,000 to $2,350,000.

Lease and Subscription Liabilities

Refer to Note 11 for details on lease and subscription liabilities.

Note 10 - Managed Care Initiatives and Transactions Between Component Units

Effective May 1, 2004, the Authority entered into a prepaid provider contract with the State of Colorado HCPF to provide health care to Medicaid members enrolled in the state's Primary Care Provider (PCP) program and formerly capitated with the Authority through Rocky Mountain Health Maintenance Organization (HMO). This program is known as Denver Health Medicaid Choice (DHMC) and started in 2004. This program is a prepaid provider contract, not an HMO. Effective September 1, 2018, the responsibility of the DHMC contract shifted from the Authority to DHMP.

DHMP is a Colorado HMO whose enrollment includes exchange, Medicare, Medicaid, and Child Health Plan Plus (CHP+) participants. In 2006, DHMP became licensed as a Special Needs Medicare Advantage Prescription Drug Plan provided to residents of Denver County, Colorado. On September 1, 2018, the DH Medicaid Choice Plan was moved to DHMP. At December 31, 2025 and 2024, there were 95,673 and 75,169 members enrolled in DHMP, respectively.

During 2025 and 2024, DHMP recognized claims expense of approximately $289,062,000 and $257,117,000, respectively, for claims paid to the Authority, which is recognized by the Authority as net patient service revenue. As of December 31, 2025 and 2024, DHMP recorded an accrued claim liability of approximately $24,533,000 and $21,546,000, respectively, for unpaid claims owed to the Authority, which is recognized by the Authority within patient accounts receivable. In addition, DHMP pays the Authority certain other administrative expenses. DHMP has no employees and is managed by employees leased from the Authority. These transactions have been eliminated within the statement of revenue, expenses, and changes in net position and the statement of net position.

Excess risk insurance is maintained by DHMP for inpatient claims in excess of $275,000 for Medicaid and CHP+, $450,000 for Medicare, and $1,000,000 for exchange in 2025 and 2024.

Note 10 - Managed Care Initiatives and Transactions Between Component Units (Continued)

DHMP establishes liabilities for both reported and unreported medical and authority expenses, which includes estimates of both future payments of claims and related claim adjustment expenses. Changes in the aggregate liability during the years ended December 31, 2025 and 2024 are as follows:

	2025	2024
Unpaid claims and claim adjustment expenses - Net of reinsurance, beginning of year	$ 30,507,607	$ 34,490,412
Incurred claims and claim adjustment expenses - Net of reinsurance recoveries:		
Provision for insured events of the current year	191,803,528	171,537,172
Decrease in provision for insured events of prior years	(1,073,436)	(462,615)
Total incurred claims and claim adjustment expenses - Net of reinsurance recoveries	190,730,092	171,074,557
Payments - Net of reinsurance recoveries:		
Claims and claim adjustment expenses attributable to insured events of the current year	171,043,509	148,827,863
Claims and claim adjustment expenses attributable to insured events of prior year	24,808,093	26,229,499
Total payments - Net of reinsurance recoveries	195,851,602	175,057,362
Unpaid claims and claim adjustment expenses - Net of reinsurance, end of year	$ 25,386,097	$ 30,507,607

Note 11 - Leases and Subscriptions

Lessee - Liabilities

The Authority leases equipment and office space, the terms of which expire in various years through 2039. The leases were measured based upon the discount rate at lease commencement. Variable payments based upon the use of the underlying asset are not included in the lease liability because they are not fixed in substance.

Lease asset activity of the Authority is included in Note 7 and lease liability activity of the Authority is included in Note 9.

Future principal and interest payment requirements related to the Authority's lease liabilities at December 31, 2025 are as follows:

Years Ending	Principal	Interest	Total
2026	$ 5,314,498	$ 381,481	$ 5,695,979
2027	6,220,710	244,081	6,464,791
2028	1,497,148	100,437	1,597,585
2029	253,439	70,906	324,345
2030	252,230	62,481	314,711
2031-2035	1,070,143	218,355	1,288,498
2036-2039	932,958	50,135	983,093
Total	$ 15,541,126	$ 1,127,876	$ 16,669,002

Note 11 - Leases and Subscriptions (Continued)

Lessor - Lease Receivables

A lease is a contract that conveys control of the right to use another entity's nonfinancial asset in the contract for a period of time in an exchange or exchange-like transaction. Nonfinancial assets include buildings and a cell tower. Lease receivables result from lessor contracts measured at the present value of the lease payments expected to be received during the lease term. The Authority has recognized lease receivables for seven building leases and one cell tower with varying lease dates ending from 2030 to 2050. Lease receivables amount to $6,395,779 and $6,770,550 for December 31, 2025 and 2024, respectively, and are recorded within other long-term assets in the accompanying financial statements. Total lease revenue received for December 31, 2025 and 2024 was $490,340 and $519,213, respectively. Total interest revenue received for December 31, 2025 and 2024 was $203,242 and $215,510, respectively. The amounts recognized as rental income by the Authority during the years ended December 31, 2025 and 2024 for variable payments not previously included in the measurement of the lease receivables were not significant. Revenue associated with leases is included within other operating revenue in the statement of revenue, expenses, and changes in net position.

Subscription Liabilities

The Authority has various subscription-based information technology arrangements (SBITAs), the terms of which expire in various years through 2032. Variable payments of certain subscriptions are based upon the Consumer Price Index (Index). The subscriptions were measured based upon the Index at commencement of the SBITA term. Variable payments based upon the use of the underlying asset are not included in the subscription liability because they are not fixed in substance.

The following is a schedule by year of payments under the SBITAs as of December 31, 2025:

Years Ending	Principal	Interest	Total
2026	$ 19,152,647	$ 1,307,163	$ 20,459,810
2027	13,074,421	701,598	13,776,019
2028	8,672,009	308,430	8,980,439
2029	2,171,792	102,542	2,274,334
2030	811,228	39,055	850,283
2031-2032	723,431	19,032	742,463
Total	$ 44,605,528	$ 2,477,820	$ 47,083,348

Note 12 - Pension Plans

The Authority participates in two pension plans: DERP and DERP RBA. A summary of the pension items as of and for the years ended December 31, 2025 and 2024 are as follows:

Year Ended December 31, 2025	DERP	DERP RBA	Total
Net pension liability	$ 169,101,457	$ 4,419,636	$ 173,521,093
Deferred outflows of resources	21,463,712	499,646	21,963,358
Deferred inflows of resources	536,946	2,461,734	2,998,680
Expense (income)	40,181,591	(63,483)	40,118,108

Year Ended December 31, 2024	DERP	DERP RBA	Total
Net pension liability	$ 162,608,534	$ 5,649,412	$ 168,257,946
Deferred outflows of resources	48,266,808	1,200,059	49,466,867
Deferred inflows of resources	324,995	2,114,606	2,439,601
Expense	34,304,314	204,457	34,508,771

Note 12 - Pension Plans (Continued)

DERP Plan Description

Certain employees of the Authority as well as other nonuniformed employees of the City and certain related agencies, including employees leased to the Authority, participate in DERP. DERP is a cost-sharing multiple-employer defined benefit pension plan established by the City to provide pension benefits for its employees. DERP is no longer available to authority employees hired on January 1, 2001 or later. As a result, the Authority established an Enhanced Defined Contribution Plan. Authority employees hired prior to January 1, 2001 have the option to elect to drop their DERP participation and join the Enhanced Defined Contribution Plan, which is described in Note 14. Sections 18.401 through 18.430.7 of the City's Revised Municipal Code establish the plan and provide complete information on DERP. DERP issues a publicly available financial report that includes financial statements and required supplementary information. That report is available by either contacting DERP at 777 Pearl Street, Denver, Colorado 80203 or on the internet at www.derp.org.

DERP RBA Plan Description

A Qualified Replacement Benefit Arrangement (RBA) was established for DERP members to receive benefits in excess of certain IRS benefit payment limits. The RBA was established in 2006 but was not administratively enacted until 2020. Eligibility for the RBA occurs when the calculated benefit payments at the time of retirement exceeds the maximum benefit payable under the pension plan. The difference between calculated benefit payments and maximum benefit payable under the pension is paid from the RBA. Prior to 2020, this plan was not administered by DERP in accordance with the plan documents. Thus 2020 is the first year the Authority is recording the liability and making contributions. In 2025 and 2024, there are a total of four and six inactive employees, respectively, currently receiving benefit payments.

DERP Benefits Provided

DERP provides retirement benefits plus death and disability benefits for its members and their beneficiaries. Participants who retire at or after age 65 or age 55 if the sum of age plus credited service is 75 or more (rule of 75) are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to as much as 2 percent of their final average salary, for each year of credited service. Final average salary is the average salary based on the employee's highest salary in a 36-consecutive month period of credited service. Employees with five years of credited service may retire at or after age 55 and receive a reduced retirement benefit. Benefit and contribution provisions are determined annually by an independent actuary, recommended by DERP's board, and enacted into ordinance by the Denver City Council.

DERP Contributions

During 2025 and 2024, combined employer and employees' contributions to DERP were 26.4 percent (17.95 percent employer and 8.45 percent employees) of applicable salaries, of which 25.41 percent was for pension benefits and 0.99 percent was for health benefits.

Effective January 1, 2001 and until October 1, 2003, active members of DERP who were eligible for a normal or rule of 75 retirement could choose to enter the Deferred Retirement Option Plan (DROP) for a maximum of four years. While participating in DROP, the member continues to work for the employer, earning a regular salary. The member's monthly retirement benefits are deposited into a DROP account maintained by DERP. The balance in a member's DROP account earns interest at a rate equal to the actuarial assumed rate of return. Sections 18-422 through 18-429 of the Revised Municipal Code of the City and County of Denver, Colorado should be referred to for more complete information on DROP. Upon retirement, members have access to the funds accumulated during their participation in DROP.

Note 12 - Pension Plans (Continued)

DERP RBA Contributions

During 2025 and 2024, the Authority contributed approximately $119,000 and $128,000, respectively, based on amounts determined by the board to be necessary to pay benefits and reasonable and necessary expenses. For contributions related to prior years, the Authority is working with DERP to fund.

DERP Employer-made Contributions Based on the Legally Required Rates

Total annual employee and employer contributions to DERP by the Authority in 2025 and 2024 were approximately $8,621,000 and $8,099,000, respectively, covering both pension and OPEB. Authority contributions (employer only) to DERP for the years ended December 31, 2025 and 2024 were approximately $6,942,000 and $6,278,000, respectively. Allocation ratio between pension and DERP for 2025 and 2024 approximates 96:4.

DERP Pension Liabilities, Pension Expense, and Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

The net pension liability was measured as of December 31, 2024 and 2023 and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of January 1, 2024 and 2023, respectively, rolled forward to December 31, 2024 and 2023, respectively. Starting in 2022, the proportionate shares for the DHHA and the non-DHHA employers in aggregate are determined based on their relative shares of the unfunded actuarial liability from the prior actuarial valuation. The proportionate shares for each participating non-DHHA employer are then determined based on the ratio of each participating employer’s actual contribution to the plan during the measurement year to the sum of the actual contributions for all participating non-DHHA employers, multiplied by the total non-DHHA proportionate share. At December 31, 2024, the Authority’s proportion was 9.65 percent, which was an increase of 0.58 percent from its proportion measured as of December 31, 2023. At December 31, 2023, the Authority’s proportion was 9.07 percent, which was an increase of 0.77 percent from its proportion measured as of December 31, 2022. The pension expense (income) incurred by the Authority is included within salaries and benefits expense in the statement of revenue, expenses, and changes in net position.

At December 31, 2025 and 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 3,969,703	$ -	$ 6,077,688	$ 324,995
Changes in assumptions	1,453,178	-	2,732,011	-
Net difference between projected and actual earnings on pension plan investments	8,075,779	-	10,931,151	-
Changes in proportion and differences between the Authority's contributions and the proportionate share of contributions	1,291,429	536,946	22,492,371	-
Authority contributions to the plan subsequent to the measurement date	6,673,623	-	6,033,587	-
Total	$ 21,463,712	$ 536,946	$ 48,266,808	$ 324,995

Note 12 - Pension Plans (Continued)

At December 31, 2025 and 2024, the Authority reported approximately $6,674,000 and $6,034,000, respectively, as deferred outflows of resources related to DERP resulting from authority contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the years ending December 31, 2026 and 2025, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources at December 31, 2025 related to DERP will be recognized in pension expense (contra expense) as follows:

Years Ending December 31	Amount
2026	$ 8,689,777
2027	7,062,242
2028	(1,257,910)
2029	(240,966)
Total	$ 14,253,143

DERP RBA Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability was measured as of December 31, 2024 and 2023 and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of January 1, 2024 and 2023, respectively, rolled forward to December 31, 2024 and 2023. At December 31, 2025 and 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 264,218	$ 1,992,329	$ 751,733	$ 1,668,175
Changes in assumptions	116,677	469,405	320,668	446,431
Authority's contributions subsequent to the measurement date	118,751	-	127,658	-
Total	$ 499,646	$ 2,461,734	$ 1,200,059	$ 2,114,606

At December 31, 2025 and 2024, the Authority reported approximately $119,000 and $128,000, respectively, as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the years ending December 31, 2026 and 2025, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources at December 31, 2025, related to pensions will be recognized in pension expense (contra expense) as follows:

Years Ending	Amount
2026	$ (628,603)
2027	(900,899)
2028	(294,493)
2029	(256,844)
Total	$ (2,080,839)

Note 12 - Pension Plans (Continued)

Actuarial Assumptions

The total pension liability in the January 1, 2024 actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2024	
	DERP	DERP RBA
Inflation	2.5%	2.5%
Salary increases	3.0	3.0
Investment rate of return	7.0	4.1

The total pension liability in the January 1, 2023 actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2023	
	DERP	DERP RBA
Inflation	2.5%	2.5%
Salary increases	3.0	3.0
Investment rate of return	7.0	3.3

Mortality rates used in the DERP January 1, 2024 and January 1, 2023 valuations (for both DERP and DERP RBA) were based on the Sex Distinct RP-2014 Healthy Annuitant Mortality Table with a 110 percent multiplier applied to males and a 105 percent multiplier applied to females, generational projection using scale MP-2021.

The actuarial assumptions used in the January 1, 2024 valuations were performed based on the economic and demographic assumptions and methods that were recommended in the actuarial experience study performed by Cheiron as of December 31, 2022. These assumptions, except for the discount rate, were adopted by the retirement board at its May 19, 2023 board meeting.

DERP Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent for each of the years ended December 31, 2025 and 2024. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that participating employer contributions will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

DERP RBA Discount Rate

The discount rate used to measure the total pension liability was 4.08 percent and 3.26 percent for the years ended December 31, 2025 and 2024, respectively. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that participating employer contributions will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 12 - Pension Plans (Continued)

Investment Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following tables and apply to both DERP and DERP RBA:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Public equity:		
U.S. large cap	18.0 %	4.4 %
U.S. small cap	4.0	6.0
Developed markets	14.0	6.4
Emerging markets	6.0	9.2
Fixed income:		
Core fixed income	15.0	4.8
Private debt	9.0	6.4
Real estate:		
Core real estate	4.0	6.7
Noncore real estate	4.0	7.8
Real estate debt	2.0	6.6
Absolute return	7.0	6.5
Infrastructure	4.5	6.5
Alternatives:		
Private equity	9.0	10.1
Natural resources	3.5	7.7

DERP Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The Authority’s proportionate share of the net pension liability at December 31, 2025 and 2024 has been calculated using a discount rate of 7.00 percent. The following presents the Authority’s proportionate share of the net pension liability calculated using a discount rate 1 percentage point higher and 1 percentage point lower than the current rate:

	1 Percentage Point Decrease	Current Discount Rate	1 Percentage Point Increase
Authority's proportionate share of the DERP net pension liability - 2025	$ 216,424,982	$ 169,101,457	$ 129,397,273
Authority's proportionate share of the DERP net pension liability - 2024	205,845,129	162,608,534	126,311,415

Note 12 - Pension Plans (Continued)

DERP RBA Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The Authority's proportionate share of the net pension liability at December 31, 2025 and 2024 has been calculated using a discount rate of 4.08 percent and 3.26 percent, respectively. The following presents the Authority's proportionate share of the net pension liability calculated using a discount rate 1 percentage point higher and 1 percentage point lower than the current rate:

	1 Percentage Point Decrease	Current Discount Rate	1 Percentage Point Increase
Authority's proportionate share of the DERP RBA net pension liability - 2025	$ 4,683,177	$ 4,419,636	$ 4,173,834
Authority's proportionate share of the DERP RBA net pension liability - 2024	6,070,572	5,649,412	5,265,402

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued DERP financial report.

Note 13 - Other Postemployment Benefits

The Authority participates in a defined benefit other postemployment benefits plan: OPEB benefits under DERP. A summary of the OPEB items as of and for the years ended December 31, 2025 and 2024 are as follows:

	2025	2024
OPEB liability	$ 7,438,674	$ 7,499,184
Deferred outflows of resources	1,728,015	2,755,091
Deferred inflows of resources	751,533	890,509
Expense	1,073,027	1,026,718

OPEB Benefits Under DERP

Plan Description

Certain employees of the Authority as well as other nonuniformed employees of the City and certain related agencies, including employees leased to the Authority, participate in DERP. DERP is a cost-sharing multiple-employer defined benefit pension plan established by the City to provide pension benefits for its employees. These benefits include health benefits and are considered an OPEB benefit. DERP is no longer available to authority employees hired on January 1, 2001 or later. Authority employees hired prior to January 1, 2001 have the option to elect to drop their DERP participation and join the Enhanced Defined Contribution Plan, which is described in Note 14. Sections 18.401 through 18.430.7 of the City's Revised Municipal Code establish the plan and provide complete information on DERP. DERP issues a publicly available financial report that includes financial statements and required supplementary information. That report is available by either contacting DERP at 777 Pearl Street, Denver, Colorado 80203 or on the internet at www.derp.org.

Note 13 - Other Postemployment Benefits (Continued)

Benefits Provided

The health benefits' account was established by City Ordinance in 1991 to provide, beginning on January 1, 1992, postemployment health care benefits in the form of a premium supplement to retired members, their spouses and dependents, spouses and dependents of deceased active and retired members, and members of the plan awaiting approval of retirement applications. During 2025 and 2024, the monthly health insurance premium supplement was $12.50 per year of service for retired participants under the age of 65, and $6.25 per year of service for retirees aged 65 and older. The health insurance premium supplement can be applied to the payment of medical, dental, and/or vision insurance premiums. The benefit recipient pays any remaining portion of the premiums.

Before consideration of the premium supplement or premiums paid by the employer, the premiums charged to retirees are the same as charged to active employees for the same coverage. This results in an implicit rate subsidy, which is considered another postemployment benefit (OPEB).

Employer-made Contributions Based on the Legally Required Rates

Total annual contributions to DERP by the Authority for postemployment health care benefits were approximately $245,000 and $244,000 for 2025 and 2024, respectively. This represents 0.03 percent of the Authority's total payroll for 2025 and 2024.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability was measured as of December 31, 2024 and 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2024 and 2023, rolled forward to December 31, 2024 and 2023, respectively. Starting in 2022, the proportionate shares for the DHHA and the non-DHHA employers in aggregate are determined based on their relative shares of the unfunded actuarial liability from the prior actuarial valuation. The proportionate shares for each participating non-DHHA employer are then determined based on the ratio of each participating employer's actual contribution to the plan during the measurement year to the sum of the actual contributions for all participating non-DHHA employers, multiplied by the total non-DHHA proportionate share. At December 31, 2024, the Authority's proportion was 9.65 percent, which was an increase of 0.58 percent from its proportion measured as of December 31, 2023. At December 31, 2023, the Authority's proportion was 9.07 percent, which was an increase of 0.66 percent from its proportion measured as of December 31, 2022. The OPEB expense incurred by the Authority is included within salaries and benefits expense in the statement of revenue, expenses, and changes in net position.

Note 13 - Other Postemployment Benefits (Continued)

At December 31, 2025 and 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 602,745	$ -	$ 576,335
Changes in assumptions	-	148,788	-	209,794
Net difference between projected and actual earnings on OPEB plan investments	278,315	-	367,095	-
Changes in proportion and differences between the Authority's contributions and the proportionate share of contributions	1,204,263	-	2,143,875	104,380
Authority's contributions made subsequent to the measurement date	245,437	-	244,121	-
Total	$ 1,728,015	$ 751,533	$ 2,755,091	$ 890,509

At December 31, 2025 and 2024, the Authority reported approximately $245,000 and $244,000, respectively, as deferred outflows of resources related to the DERP OPEB resulting from Authority contributions subsequent to the measurement date that will be recognized as a reduction of the net OPEB liability in the years ending December 31, 2026 and 2025, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources at December 31, 2025 related to the DERP OPEB will be recognized in expense as follows:

Years Ending	Amount
2026	$ 778,661
2027	80,610
2028	(78,076)
2029	(50,150)
Total	$ 731,045

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued DERP financial report.

Actuarial Assumptions

The total OPEB liability in the January 1, 2024 and 2023 actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 %
Salary increases	3.00
Investment rate of return	7.00

Note 13 - Other Postemployment Benefits (Continued)

The salary increase assumption also includes a merit component based on years of service. The investment rate of return assumption is net of OPEB plan investment expense, including inflation. The total OPEB liability was calculated using an experience study performed in 2018 covering the five-year period of January 1, 2013 to December 31, 2017.

Mortality rates used in the January 1, 2024 and 2023 valuations were based on the Sex Distinct RP-2014 Healthy Annuitant Mortality Table with a 110 percent multiplier applied to males and a 105 percent multiplier applied to females, generational projection using scale MP-2021.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Public equity:		
U.S. large cap	18.0 %	4.4 %
U.S. small cap	4.0	6.0
Developed markets	14.0	6.4
Emerging markets	6.0	9.2
Fixed income:		
Core fixed income	15.0	4.8
Private debt	9.0	6.4
Real estate:		
Core real estate	4.0	6.7
Noncore real estate	4.0	7.8
Real estate debt	2.0	6.6
Absolute return	7.0	6.5
Infrastructure	4.5	6.5
Alternatives:		
Private equity	9.0	10.1
Natural resources	3.5	7.7

Discount Rate

The discount rate used to measure the total net OPEB liability was 7.00 percent for the years ended December 31, 2025 and 2024. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that participating employer contributions will be made at contractually required rates, actuarially determined. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Note 13 - Other Postemployment Benefits (Continued)

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The Authority's proportionate share of the net OPEB liability at December 31, 2025 and 2024 has been calculated using a discount rate of 7.00 percent. The following presents the Authority's proportionate share of the net OPEB liability calculated using a discount rate 1 percentage point higher and 1 percentage point lower than the current rate:

	1 Percentage Point Decrease	Current Discount Rate	1 Percentage Point Increase
Authority's proportionate share of the net OPEB liability - 2025	$ 8,928,422	$ 7,438,674	$ 6,171,321
Authority's proportionate share of the net OPEB liability - 2024	8,922,174	7,499,184	6,288,206

As this plan is paid at a fixed dollar value, there is not an actuarially adjusted value for health care costs, and, thus, health care cost trend rates are not applicable to this plan.

Note 14 - Other Retirement Plans

Deferred Compensation Plan

The Authority offers its employees deferred compensation plans created in accordance with Code Section 457. The plans are available to all authority employees and permit employees to defer a portion of their salary until future years. The deferred compensation is not available to employees or their beneficiaries until termination, retirement, death, or approval for hardship cases. Employee contributions in 2025 and 2024 were approximately $59,661,000 and $54,370,000, respectively.

Defined Contribution Plan and Enhanced Defined Contribution Plan

The Denver Health and Hospital Authority 401(a) Defined Contribution Plan (Defined Contribution Plan) was established to extend benefits to employees in lieu of those benefits provided by the Social Security Act, as allowed by Colorado Revised Statutes Section 24-54-101. The plan was created in accordance with Code Sections 401 and 501. Benefits are not available to employees or their beneficiaries until retirement or death. Employees are required to contribute 6.2 percent of base compensation to the Defined Contribution Plan. The Authority has elected to contribute 3 percent of base compensation as a matching contribution. The contributions are not to exceed the maximum permissible amounts of the Social Security tax.

Because employees hired subsequent to January 1, 2001 are not eligible to participate in DERP, the Enhanced Defined Contribution Plan was established as a benefit to these authority employees. Authority employees hired prior to January 1, 2001 may exercise an option to drop DERP participation and join the Enhanced Defined Contribution Plan.

Effective August 23, 2015, the Authority amended the Enhanced Defined Contribution Plan to change the 6.0 percent enhanced contribution as follows:

- For employees hired after August 23, 2015, to contribute a 3.0 percent enhanced contribution that is subject to a three-year vesting period
- To contribute up to an additional 3.5 percent enhanced contribution, also subject to a three-year vesting period, that is matched 100 percent to the percent of eligible wages the employee voluntarily defers and contributes to the Authority's 457 Deferred Compensation Plan
- Employees hired on or after August 23, 2015 continue to be immediately vested in all employee and employer contribution balances.

Note 14 - Other Retirement Plans (Continued)

Total annual contributions to the Defined Contribution Plan and the Enhanced Defined Contribution Plan by the Authority in 2025 and 2024 were approximately $65,743,000 and $62,583,000, respectively, and employee contributions were approximately $47,511,000 and $45,302,000, respectively. The Authority's contributions are included within salaries and benefits expense in the statement of revenue, expenses, and changes in net position.

Supplemental Executive Retirement Plan

In 2014, the Authority created a Supplemental Executive Retirement Plan (SERP Plan) for the purpose of providing deferred compensation for a select group of executive managers. The SERP Plan is an unfunded, nonqualified deferred compensation arrangement under Section 457(f) of the Internal Revenue Code. The effective date of the SERP Plan was January 1, 2014. Participants become vested to the contribution three calendar years after the contribution, or the year in which they turn 65 years of age, whichever is sooner. Distributions are made annually in February of each year to vested participants. Executive managers participating in DERP are not eligible to be included in the SERP Plan.

Note 15 - Risk Management

The Authority is exposed to various risks and losses related to torts, theft, damage or destruction of assets, errors and omissions, natural disasters, workers' compensation, auto liability, and unemployment.

The Authority is covered under the limits of the Colorado Governmental Immunity Act. As of January 1, 2023, in tort litigation covered by the Colorado Governmental Immunity Act, injury to one person in any single occurrence is limited to the amount of $424,000, and for injury to two or more persons in a single occurrence, the limitation is $1,195,000 with the stated limitation that no person may recover in excess of $424,000. With respect to malpractice liability, the Authority carries excess health care professional and general liability coverage with limits of $1,000,000 per occurrence and $3,000,000 in the aggregate with a self-insured retention amount of $250,000. In addition, the Authority carries an umbrella policy with limits of $5,000,000 per occurrence and $5,000,000 in the aggregate.

The estimated amount of medical malpractice and other liability was approximately $13,529,000 and $12,896,000 as of December 31, 2025 and 2024, respectively, and is included in accounts payable and accrued expenses in the statement of net position. The Authority relied upon an actuarial estimate of the medical malpractice to record IBNR losses and loss adjustment expenses. A discount rate of 3.0 percent was applied to the actuarially determined liability as of December 31, 2025 and 2024.

The Authority carries a separate health care professional and general liability policy to cover the Authority’s health care services provided in the City’s jail medical facilities. This policy provides coverage in the amount of $1,000,000 per occurrence and $3,000,000 in the aggregate with a self-insured retention of $250,000.

For other types of risk, the Authority generally carries commercial policies with deductibles ranging from $25,000 to $600,000 and limits of $1,000,000 to $20,000,000. Property coverage is limited to $750,000,000 and flood losses to $100,000,000.

On January 1, 2002, the Authority was issued a self-insurance permit by the Colorado Department of Labor and Employment, Division of Workers’ Compensation, which allows the Authority to be its own insurance carrier for workers’ compensation risk. The Authority carries an excess workers’ compensation insurance policy with a self-insured retention limit of $600,000. At December 31, 2025 and 2024, the estimated amount of workers’ compensation liability was approximately $2,599,000 and $2,568,000, respectively, and is included within accrued salaries, wages, and benefits in the statement of net position. This liability is based on actuarial estimates of the workers’ compensation to record IBNR losses and loss adjustment expenses.

Note 15 - Risk Management (Continued)

There were no significant reductions in insurance coverage from the prior year. There have been no claim settlements in excess of insurance coverage in the last three years. In the opinion of the Authority's legal counsel and management, resolution of actions relating to the Authority will not have a material effect on the Authority's financial position or results of operations.

Employee Health Claims

On January 1, 2023, the Authority became self-insured for health claims of participating employees and dependents up to an annual aggregate amount of $600,000. Commercial stop-loss insurance coverage is purchased for claims in excess of the aggregate annual amount. Processing of the employee health claims is administered by DHMP.

A provision is accrued for self-insured employee health claims, including both claims reported and claims incurred but not yet reported. The accrual is estimated based on consideration of prior claims experience, recently settled claims, frequency of claims and other economic and social factors. It is reasonably possible that the Authority's estimate could change by a material amount in the near term.

Note 16 - Contingencies

Cost Report

Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures. Such audits could lead to reimbursement to the grantor agencies. The Authority has recorded all known and estimable liabilities related to such issues. Management believes unrecorded disallowances, if any, will not be significant.

Taxpayer Bill of Rights

The Authority believes it is exempt from the provisions of Article X, Section 20 of the Colorado Constitution Taxpayer Bill of Rights (TABOR) because the Authority is not a "district" within the meaning of Section 2(b) of TABOR. In addition, the Authority believes it is exempt from TABOR because the Authority meets the definition of an "enterprise," as defined by Section 2(d) of TABOR.

Litigation

In the normal course of operations, the Authority is at times involved in litigation related to claims made under insurance contracts, employee liability, and general liability. In the opinion of management, all known material liabilities have been recorded, and the resolution of these matters is not expected to have a material effect on the Authority's financial position, results of operations, or liquidity.

Investments

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

Note 17 - Condensed Combining Financial Information

Condensed combining financial information of each blended component unit is as follows as of and for the year ended December 31, 2025:

Table 1
Condensed Combining Financial Information
Statement of Net Position as of December 31, 2025

	Total Authority	CCPPS	550 Acoma Inc.	DHMP	DHRC	Centennial	Eliminations	Combined
Assets								
Current assets	$ 366,900,736	$ (817,314)	$ 2,943,622	$ 97,494,012	$ 20,417,944	$ 2,611,586	$ (31,378,971)	$ 458,171,615
Capital, leased, and subscription assets - Net	574,346,268	-	22,599,091	18,509,534	-	-	-	615,454,893
Other noncurrent assets	504,508,645	-	-	16,730,698	30,898,789	-	(42,450,000)	509,688,132
Total assets	1,445,755,649	(817,314)	25,542,713	132,734,244	51,316,733	2,611,586	(73,828,971)	1,583,314,640
Deferred Outflows of Resources	32,823,630	-	-	-	-	-	-	32,823,630
Total assets and deferred outflows of resources	$ 1,478,579,279	$ (817,314)	$ 25,542,713	$ 132,734,244	$ 51,316,733	$ 2,611,586	$ (73,828,971)	$ 1,616,138,270
Liabilities								
Current liabilities	$ 218,311,927	$ (94,101)	$ 975,383	$ 81,388,284	$ -	$ 2,873,936	$ (26,766,828)	$ 276,688,601
Long-term liabilities	568,542,020	-	35,284,223	54,783,635	-	-	(42,450,000)	616,159,878
Total liabilities	786,853,947	(94,101)	36,259,606	136,171,919	-	2,873,936	(69,216,828)	892,848,479
Deferred Inflows of Resources	9,548,125	-	-	-	-	-	-	9,548,125
Total liabilities and deferred inflows of resources	-	-	-	-	-	-	-	-
Net Position								
Invested in capital assets - Net of related debt	299,163,194	-	(13,525,132)	(8,244)	-	-	-	285,629,818
Unrestricted	383,014,013	(723,213)	2,808,239	(3,429,431)	51,316,733	(262,350)	(4,612,143)	428,111,848
Total net position	682,177,207	(723,213)	(10,716,893)	(3,437,675)	51,316,733	(262,350)	(4,612,143)	713,741,666
Total liabilities, deferred inflows of resources, and net position	$ 1,478,579,279	$ (817,314)	$ 25,542,713	$ 132,734,244	$ 51,316,733	$ 2,611,586	$ (73,828,971)	$ 1,616,138,270

Note 17 - Condensed Combining Financial Information (Continued)

Table 2
Condensed Combining Financial Information
Statement of Revenue, Expenses, and Changes in Net Position Year Ended December 31, 2025

	Total Authority	CCPPS	550 Acoma Inc.	DHMP	DHRC	Centennial	Eliminations	Combined
Operating Revenue								
Net patient service revenue	$ 1,160,384,483	$ -	$ -	$ -	$ -	$ -	$ (289,061,786)	$ 871,322,697
Premium revenue	-	-	-	523,633,949	-	2,675,944	(2,675,944)	523,633,949
Other operating revenue	424,419,830	518,505	-	7,602,318	-	-	-	432,540,653
Total operating revenue	1,584,804,313	518,505	-	531,236,267	-	2,675,944	(291,737,730)	1,827,497,299
Operating Expenses								
Salaries and benefits	962,324,261	-	-	22,293,917	-	-	-	984,618,178
Contracted services and nonmedical supplies	271,909,538	271,356	(2,470,071)	17,326,805	-	2,310,735	(2,675,944)	286,672,419
Medical supplies and pharmaceuticals	267,030,161	-	-	-	-	-	-	267,030,161
Medical and pharmacy claims	(1,678)	-	-	479,000,448	-	793,108	(289,061,786)	190,730,092
Depreciation and amortization	68,966,451	-	1,159,348	5,994,548	-	-	-	76,120,347
Total operating expenses	1,570,228,733	271,356	(1,310,723)	524,615,718	-	3,103,843	(291,737,730)	1,805,171,197
Income (Loss) from Operations	14,575,580	247,149	1,310,723	6,620,549	-	(427,899)	-	22,326,102
Nonoperating Revenue (Expense)	32,420,846	-	(1,540,789)	902,907	51,316,733	165,549	-	83,265,246
Income (Loss) before Contributions	46,996,426	247,149	(230,066)	7,523,456	51,316,733	(262,350)	-	105,591,348
Contributions Restricted for Capital Assets	2,494,580	-	-	-	-	-	-	2,494,580
Change in Net Position	49,491,006	247,149	(230,066)	7,523,456	51,316,733	(262,350)	-	108,085,928
Net Position (Deficit) - Beginning of year	632,686,201	(970,362)	(10,486,827)	(10,961,131)	-	-	(4,612,143)	605,655,738
Net Position (Deficit) - End of year	$ 682,177,207	$ (723,213)	$ (10,716,893)	$ (3,437,675)	$ 51,316,733	$ (262,350)	$ (4,612,143)	$ 713,741,666

Table 3
Condensed Combining Financial Information
Statement of Cash Flows Year Ended December 31, 2025

	Total Authority	CCPPS	550 Acoma Inc.	DHMP	DHRC	Centennial	Eliminations	Combined
Cash Flows from Operating Activities	$ 124,378,352	$ 466,244	$ -	$ (6,758,595)	$ -	$ 290,321	$ -	$ 118,376,322
Cash Flows from Noncapital Activities	29,894,902	-	-	33,950,000	-	-	-	63,844,902
Cash Flows from Capital and Related Financing Activities	(20,033,244)	-	-	(3,062,697)	51,824,072	165,000	-	28,893,131
Cash Flows from Investing Activities	(98,950,938)	-	-	2,660,172	(31,423,477)	549	-	(127,713,694)
Net Increase in Cash and Cash Equivalents	35,289,072	466,244	-	26,788,880	20,400,595	455,870	-	83,400,661
Cash and Cash Equivalents - Beginning of year	80,618,412	278,506	-	637,658	-	-	-	81,534,576
Cash and Cash Equivalents - End of year	$ 115,907,484	$ 744,750	$ -	$ 27,426,538	$ 20,400,595	$ 455,870	$ -	$ 164,935,237

Note 17 - Condensed Combining Financial Information (Continued)

Condensed combining financial information of each blended component unit is as follows as of and for the year ended December 31, 2024:

Table 4
Condensed Combining Financial Information
Statement of Net Position as of December 31, 2024

	Total Authority	CCPPS	550 Acoma Inc.	DHMP	Eliminations	Total
Assets						
Current assets	$ 319,300,686	$ (1,075,043)	$ 2,917,853	$ 67,581,539	$ (26,157,942)	$ 362,567,093
Capital, leased, and subscription assets - Net	596,234,917	-	23,758,439	19,667,292	-	639,660,648
Other noncurrent assets	339,772,993	-	4,156	19,390,870	(8,500,000)	350,668,019
Total assets	1,255,308,596	(1,075,043)	26,680,448	106,639,701	(34,657,942)	1,352,895,760
Deferred Outflows of Resources	62,713,983	-	-	-	-	62,713,983
Total assets and deferred outflows of resources	$ 1,318,022,579	$ (1,075,043)	$ 26,680,448	$ 106,639,701	$ (34,657,942)	$ 1,415,609,743
Liabilities						
Current liabilities	$ 204,198,579	$ (104,681)	$ 943,738	$ 93,929,229	$ (21,545,799)	$ 277,421,066
Long-term liabilities	471,536,223	-	36,223,537	23,671,603	(8,500,000)	522,931,363
Total liabilities	675,734,802	(104,681)	37,167,275	117,600,832	(30,045,799)	800,352,429
Deferred Inflows of Resources	9,601,576	-	-	-	-	9,601,576
Total liabilities and deferred inflows of resources	685,336,378	(104,681)	37,167,275	117,600,832	(30,045,799)	809,954,005
Net Position						
Net investment in capital assets	307,704,306	-	(13,270,098)	(335,680)	-	294,098,528
Unrestricted	324,981,895	(970,362)	2,783,271	(10,625,451)	(4,612,143)	311,557,210
Total net position	632,686,201	(970,362)	(10,486,827)	(10,961,131)	(4,612,143)	605,655,738
Total liabilities, deferred inflows of resources, and net position	$ 1,318,022,579	$ (1,075,043)	$ 26,680,448	$ 106,639,701	$ (34,657,942)	$ 1,415,609,743

Note 17 - Condensed Combining Financial Information (Continued)

Table 5
Condensed Combining Financial Information
Statement of Revenue, Expenses, and Changes in Net Position Year Ended December 31, 2024

	Total Authority	CCPPS	550 Acoma Inc.	DHMP	Eliminations	Total
Operating Revenue						
Net patient service revenue	$ 1,059,543,778	$ -	$ -	$ -	$ (257,116,590)	$ 802,427,188
Premium revenue	-	-	-	433,705,262	-	433,705,262
Other operating revenue	413,894,144	459,482	-	6,943,747	(2,704,132)	418,593,241
Total operating revenue	1,473,437,922	459,482	-	440,649,009	(259,820,722)	1,654,725,691
Operating Expenses						
Salaries and benefits	917,570,314	-	-	19,188,028	-	936,758,342
Contracted services and nonmedical supplies	253,235,392	407,788	(2,468,099)	44,100,246	(2,704,132)	292,571,195
Medical supplies and pharmaceuticals	240,069,673	-	-	-	-	240,069,673
Medical and pharmacy claims	-	-	-	428,191,147	(257,116,590)	171,074,557
Depreciation and amortization	72,722,851	-	1,162,180	5,399,092	-	79,284,123
Total operating expenses	1,483,598,230	407,788	(1,305,919)	496,878,513	(259,820,722)	1,719,757,890
(Loss) Income from Operations	(10,160,308)	51,694	1,305,919	(56,229,504)	-	(65,032,199)
Nonoperating Revenue (Expenses)	10,718,510	-	(1,574,376)	(2,072,617)	-	7,071,517
Income (Loss) before Contributions	558,202	51,694	(268,457)	(58,302,121)	-	(57,960,682)
Capital Grants and Contributions	2,579,361	-	-	-	-	2,579,361
Change in Net Assets	3,137,563	51,694	(268,457)	(58,302,121)	-	(55,381,321)
Net Position - Beginning of year, as previously reported	626,577,132	(1,022,056)	(10,218,370)	-	-	615,336,706
Cumulative Effect of Error Correction	2,971,506	-	-	47,340,990	(4,612,143)	45,700,353
Net Position (Deficit) - Beginning of year, as restated	629,548,638	(1,022,056)	(10,218,370)	47,340,990	(4,612,143)	661,037,059
Net Position (Deficit) - End of year	$ 632,686,201	$ (970,362)	$ (10,486,827)	$ (10,961,131)	$ (4,612,143)	$ 605,655,738

Table 6
Condensed Combining Financial Information
Statement of Cash Flows Year Ended December 31, 2024

	Total Authority	CCPPS	550 Acoma Inc.	DHMP	Eliminations	Total
Cash Flows from Operating Activities	$ 124,627,759	$ (127,658)	$ -	$ (55,691,928)	$ -	$ 68,808,173
Cash Flows from Noncapital Activities	(8,500,000)	-	-	8,500,000	-	-
Cash Flows from Capital and Related Financing Activities	(83,935,708)	-	-	(3,006,330)	-	(86,942,038)
Cash Flows from Investing Activities	12,811,471	-	-	37,594,407	-	50,405,878
Net Increase (Decrease) in Cash and Cash Equivalents	45,003,522	(127,658)	-	(12,603,851)	-	32,272,013
Cash and Cash Equivalents - Beginning of year, as previously stated	35,614,890	406,164	-	-	-	36,021,054
Cumulative Effect of Error Correction	-	-	-	13,241,509	-	13,241,509
Cash and Cash Equivalents - Beginning of year, as restated	35,614,890	406,164	-	13,241,509	-	49,262,563
Cash and Cash Equivalents - End of year	$ 80,618,412	$ 278,506	$ -	$ 637,658	$ -	$ 81,534,576

Note 18 - Error Correction

During 2025, the Authority determined that the historical presentation of DHMP as a discretely presented component unit was not correct under GAAP. Due to the fact that the Authority is financially accountable for, and is the sole corporate member of, the Plan, it was determined that presenting the Plan as a blended component unit is the accurate presentation. The Authority has corrected the presentation as of January 1, 2024 by adjusting DHMP's financial statements to the governmental accounting framework and blending DHMP into the Authority's financial statements. The impact of the correction on the previously reported amounts in the statement of net position as of January 1, 2024 are shown in the table below:

	As Previously Reported	Blend DHMP	As Restated
Current assets	$ 288,464,442	$ 50,528,418	$ 338,992,860
Noncurrent assets	953,924,131	79,371,585	1,033,295,716
Deferred outflows of resources	77,980,860	-	77,980,860
Total assets and deferred outflows of resources	1,320,369,433	129,900,003	1,450,269,436
Current liabilities	190,793,823	66,314,530	257,108,353
Long-term liabilities	501,281,923	17,885,120	519,167,043
Deferred inflows of resources	12,956,981	-	12,956,981
Total liabilities and deferred inflows of resources	705,032,727	84,199,650	789,232,377
Total net position	$ 615,336,706	$ 45,700,353	$ 661,037,059

The impact of the correction on the previously reported amounts in the statement of revenue, expenses, and changes in net position for the year ended December 31, 2024 are shown in the table below:

	As Previously Reported	Blend DHMP	As Restated
Operating revenue	$ 1,476,868,910	$ 177,856,781	$ 1,654,725,691
Operating expenses	(1,482,700,099)	(237,057,791)	(1,719,757,890)
Operating loss	(5,831,189)	(59,201,010)	(65,032,199)
Nonoperating revenue (expense)	9,144,134	(2,072,617)	7,071,517
Contributions restricted for capital assets	2,579,361	-	2,579,361
Increase (decrease) in net position	$ 5,892,306	$ (61,273,627)	$ (55,381,321)

Note 18 - Error Correction (Continued)

The impact of the correction on the previously reported amounts in the statement of net position and statement of cash flows as of December 31, 2024 are shown in the table below:

	As Previously Reported	Blend DHMP	As Restated
Current assets	$ 321,143,496	$ 41,423,597	$ 362,567,093
Noncurrent assets	959,770,505	30,558,162	990,328,667
Deferred outflows of resources	62,713,983	-	62,713,983
Total assets and deferred outflows of resources	1,343,627,984	71,981,759	1,415,609,743
Current liabilities	205,037,636	72,383,430	277,421,066
Noncurrent liabilities	507,759,760	15,171,603	522,931,363
Deferred inflows of resources	9,601,576	-	9,601,576
Total liabilities and deferred inflows of resources	722,398,972	87,555,033	809,954,005
Total net position	$ 621,229,012	$ (15,573,274)	$ 605,655,738

	As Previously Reported	Blend DHMP	As Restated
Cash provided by operating activities	$ 112,343,317	$ (43,535,144)	$ 68,808,173
Cash used in capital and related financing activities	(77,755,636)	(9,186,402)	(86,942,038)
Cash provided by investing activities	10,288,183	40,117,695	50,405,878
Net increase in cash and cash equivalents	$ 44,875,864	$ (12,603,851)	$ 32,272,013

In addition to the above changes to the Authority's financial statements, in 2025 the Authority determined that the 401(a) and 457 retirement plans discussed in Note 14 did not meet the criteria for inclusion in its financial statements as fiduciary funds under GASB Statement No. 84. As such, the Authority has not included the statement of fiduciary net position, the statement of changes in fiduciary net position, or related notes regarding fiduciary funds within its 2025 financial statements.

Required Supplementary Information

Required Supplementary Information
Schedule of the Authority's Proportionate Share of the Net Pension Liability - DERP

Last Ten Fiscal Years

For the Plan Years Ended December 31

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Authority's proportion of the net pension liability (asset)	9.65 %	9.07 %	8.30 %	3.85 %	4.41 %	4.94 %	7.67 %	9.00 %	9.84 %	10.17 %
Authority's proportionate share of the net pension liability	$ 169,101,457	$ 162,608,534	$ 143,762,075	$ 52,303,284	$ 68,575,108	$ 71,839,623	$ 115,717,505	$ 105,588,100	$ 120,035,324	$ 119,914,669
Authority's covered payroll	$ 21,540,046	$ 25,650,483	$ 22,767,248	$ 23,106,406	$ 23,713,746	$ 29,664,541	$ 31,969,649	$ 34,303,697	$ 38,910,745	$ 40,906,565
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	785.06 %	633.94 %	631.44 %	226.36 %	289.18 %	242.17 %	361.96 %	307.80 %	308.49 %	293.14 %
Plan fiduciary net position as a percentage of total pension liability	59.97 %	58.11 %	57.31 %	66.25 %	60.32 %	60.82 %	57.76 %	65.49 %	62.26 %	62.26 %

Note: Information presented in this schedule has been determined as of the Authority's measurement date (December 31 immediately preceding the Authority's most recent fiscal year end) of the collective net pension liability in accordance with GASB 68.

See notes to pension required supplementary information.

Required Supplementary Information
Schedule of the Authority's Pension Contributions - DERP

Last Ten Fiscal Years

Years Ended December 31

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 6,673,623	$ 6,033,587	$ 5,729,010	$ 3,971,698	$ 4,275,913	$ 4,663,901	$ 4,318,106	$ 6,392,749	$ 6,482,903	$ 6,778,008
Contributions in relation to the contractually required contribution	6,673,623	6,033,587	5,729,010	3,971,698	4,275,913	4,701,940	4,318,106	6,392,749	6,482,903	6,778,008
Contribution Excess	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 38,039**	**$ -**	**$ -**	**$ -**	**$ -**
Authority's Covered-employee Payroll	$ 19,937,656	$ 21,540,046	$ 25,650,483	$ 22,767,248	$ 23,106,406	$ 23,713,746	$ 29,664,541	$ 31,969,649	$ 34,303,697	$ 38,910,745
Contributions as a Percentage of Covered-employee Payroll	33.47 %	28.01 %	22.33 %	17.44 %	18.51 %	19.83 %	14.56 %	20.00 %	18.90 %	17.42 %

Note: Information presented in this schedule has been determined as of the Authority's most recent fiscal year end (December 31, 2025) in accordance with GASB 68.

See notes to pension required supplementary information.

Actuarial valuation information relative to the determination of pension contributions for the fiscal year ended December 31, 2025:

Valuation date	January 1, 2024

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age level
Amortization method	UAL amortized over a closed 20-year period
Remaining amortization period	20 years
Asset valuation method	Market value of asset less unrecognized investment gains or losses from the prior five years
Inflation	2.50 percent
Salary increase	3.00 percent plus merit component based on years of service
Investment rate of return	7.0 percent
Retirement age	Experience-based table of rate that are specific to the type of eligibility condition last updated for the 2023 valuation pursuant to an experience study of the period 2018-2022
Mortality	Sex Distinct RP-2014 Healthy Annuitant Mortality Table with a 110 percent multiplier applied to males and a 105 percent multiplier applied to females, and generational projection using scale MP-2021
Other information	There were no benefit changes during the year. Discount rate was kept constant at 7.0 percent The latest experience study was conducted in 2023 covering the five-year period of January 1, 2018 to December 31, 2022. At that time, the recommended mortality table was expected to produce a margin of 10 percent on the retired male mortality experience and 5 percent on the retired female experience.

Required Supplementary Information
Schedule of the Authority's Proportionate Share of the Net OPEB Liability - DERP

Last Eight Fiscal Years

Years Ended December 31

	2024	2023	2022	2021	2020	2019	2018	2017
Authority's proportion of the net OPEB liability	9.65 %	9.07 %	8.41 %	3.88 %	4.30 %	4.62 %	5.70 %	6.33 %
Authority's proportionate share of the net OPEB liability	$ 7,438,674	$ 7,499,184	$ 7,741,905	$ 3,337,059	$ 4,147,787	$ 4,540,571	$ 5,959,778	$ 5,816,322
Authority's covered payroll	$ 21,540,046	$ 25,650,483	$ 22,767,248	$ 23,106,406	$ 23,713,746	$ 29,664,541	$ 31,969,649	$ 34,303,697
Authority's proportionate share of the net OPEB liability as a percentage of its covered payroll	34.53 %	29.24 %	34.00 %	14.44 %	17.49 %	15.31 %	18.64 %	16.96 %
Plan fiduciary net position as a percentage of total OPEB liability	51.02 %	48.41 %	44.54 %	49.63 %	43.59 %	42.16 %	39.18 %	45.98 %

This schedule is presented as of the measurement date for the fiscal year.

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for only those years for which information is available. Information presented in this schedule has been determined as of the Authority’s most recent fiscal year end (December 31 immediately preceding the Authority’s most recent fiscal year end) in accordance with GASB 75.

Required Supplementary Information
Schedule of the Authority's OPEB Contributions - DERP

Last Eight Fiscal Years

Years Ended December 31

	2025	2024	2023	2022	2021	2020	2019	2018
Statutorily required contribution	$ 245,437	$ 244,121	$ 245,435	$ 199,990	$ 222,557	$ 293,191	$ 234,744	$ 289,933
Contributions in relation to the statutorily required contribution	245,437	244,121	245,435	199,990	222,557	255,563	234,744	289,933
Contribution Deficiency	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (37,628)**	**$ -**	**$ -**
Authority's Covered Payroll	$ 19,937,656	$ 21,540,046	$ 25,650,483	$ 22,767,248	$ 23,106,406	$ 23,713,746	$ 29,664,541	$ 31,969,649
Contributions as a Percentage of Covered Payroll	1.23 %	1.13 %	0.96 %	0.88 %	0.96 %	1.08 %	0.79 %	0.91 %

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for only those years for which information is available. Information presented in this schedule has been determined as of the Authority’s most recent fiscal year end (December 31, 2024) in accordance with GASB 75.

Required Supplementary Information
Schedule of the Authority's OPEB Contributions - DERP (Continued)

Last Eight Fiscal Years

Years Ended December 31

Notes to Schedule of the Authority's OPEB Contributions - DERP

Actuarial valuation information relative to the determination of contributions for the fiscal year ended December 31, 2025:

Valuation date	January 1, 2024

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age, normal
Asset valuation method	The market value of assets less any unrecognized investment gains or losses from the prior years (with 20 percent of each year's gains/losses recognized annually).
Amortization method	As of the 2019 actuarial valuation, UAL as of January 1, 2019 is amortized over a closed 20-year period as a level percentage of payroll, with future changes in the UAL amortized over a new closed 20-year layers. In prior years, the ADC was determined using fixed 30-year layers.
Inflation	2.50 percent
Salary increase	3.00 percent plus merit component based on years of service.
Investment rate of return	7.00 percent
Amortization growth rate	3.00 percent
Mortality	Sex-distinct RP-2014 Healthy Annuitant Mortality Table with a 110 percent multiplier applied to males and a 105 percent multiplier applied to females, and generational projection used scale MP-2021.
Other information	Actuarially determined contribution rates are calculated as of December 31 each year and are applicable for the following calendar (fiscal) year.

Required Supplementary Information
Schedule of Changes in the Authority's Qualified Replacement Benefit Plan and Related Ratios - DERP RBA

Last Seven Fiscal Years

	2024	2023	2022	2021	2020	2019	2018*
Total Pension Liability							
Service cost	$ -	$ 27,308	$ 40,964	$ 53,350	$ 48,281	$ 24,466	$ 35,474
Interest	182,109	211,907	180,030	159,449	173,792	240,039	219,101
Differences between expected and actual experience	(1,069,494)	(369,246)	(2,287,962)	1,321,090	1,040,488	91,211	-
Changes in assumptions or other inputs	(214,730)	181,002	(744,051)	40,375	330,597	561,579	(276,108)
Benefit payments	(127,661)	(167,494)	(282,356)	(417,029)	(416,924)	(463,231)	(512,312)
Net Change in Total Pension Liability	(1,229,776)	(116,523)	(3,093,375)	1,157,235	1,176,234	454,064	(533,845)
Total Pension Liability - Beginning of year	5,649,412	5,765,935	8,859,310	7,702,075	6,525,841	6,071,777	6,605,622
Total Pension Liability - End of year	**$ 4,419,636**	**$ 5,649,412**	**$ 5,765,935**	**$ 8,859,310**	**$ 7,702,075**	**$ 6,525,841**	**$ 6,071,777**
Covered Payroll	$ 18,496,256	$ 20,771,750	$ 22,071,135	$ 25,200,000	$ 33,055,269	$ 38,231,689	$ 57,501,912
Authority's Net Pension Liability as a Percentage of Covered Payroll	23.89 %	27.20 %	26.12 %	35.16 %	23.30 %	17.07 %	10.56 %

This schedule is presented as of the measurement date for the fiscal year. The discount rate was changed from 3.26 percent in 2023 to 4.08 percent in 2024.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for only those years for which information is available. Information presented in this schedule has been determined as of the Authority's most recent fiscal year end (December 31 immediately preceding the Authority's most recent fiscal year end) in accordance with GASB 73.

*2018 is for informational purposes only. Prior to December 31, 2020, this plan was not administered in accordance with plan documents; therefore, the Authority recorded the liability and contribution in the current year.

Supplementary Information

Consolidating Statement of Net Position

December 31, 2025

	Denver Health Medical Center	City Fund	RMDS	Restricted Fund	Total Authority	CCPPS	550 Acoma Inc.	DHMP	DHRC	Centennial	Eliminating Entries	Total
Assets												
Current Assets												
Cash and cash equivalents	$ 115,907,484	$ -	$ -	$ -	$ 115,907,484	$ 744,750	$ -	$ 27,426,538	$ 20,400,595	$ 455,870	$ -	$ 164,935,237
Patient accounts receivable - Net	142,490,632	-	-	-	142,490,632	-	-	-	-	-	(24,533,239)	117,957,393
Due from governmental entities	15,081,912	-	-	13,028,804	28,110,716	-	-	-	-	-	-	28,110,716
Due from City and County of Denver	8,908,533	3,991,064	11,099	-	12,910,696	-	-	-	-	-	-	12,910,696
Other receivables	8,182,955	118,832	2,804,945	3,234,016	14,340,748	53,652	-	12,679,890	-	2,233,589	(2,233,589)	27,074,290
Reinsurance receivable	-	-	-	-	-	-	-	21,337,628	-	-	-	21,337,628
Interest receivable	3,385,618	-	-	-	3,385,618	-	-	169,792	17,349	549	-	3,573,308
Due from other funds and investment in discretely presented component units	(17,755,592)	2,108,622	27,520,325	(7,223,726)	4,649,629	(1,615,716)	2,943,622	(1,024,358)	-	(78,422)	(4,612,143)	262,612
Prepaid expenses and other assets	19,993,041	-	231,755	48,699	20,273,495	-	-	1,048,333	-	-	-	21,321,828
Inventories	24,831,718	-	-	-	24,831,718	-	-	-	-	-	-	24,831,718
Premiums receivable - Net	-	-	-	-	-	-	-	35,856,189	-	-	-	35,856,189
Total current assets	321,026,301	6,218,518	30,568,124	9,087,793	366,900,736	(817,314)	2,943,622	97,494,012	20,417,944	2,611,586	(31,378,971)	458,171,615
Long-term Investments	308,578,607	-	-	-	308,578,607	-	-	15,439,666	30,898,789	-	-	354,917,062
Restricted Investments	131,043,839	-	-	-	131,043,839	-	-	1,291,032	-	-	-	132,334,871
Capital, Leased, and Subscription Assets - Net	573,429,431	916,837	-	-	574,346,268	-	22,599,091	18,509,534	-	-	-	615,454,893
Other Assets												
Notes receivable	14,957,348	-	-	-	14,957,348	-	-	-	-	-	-	14,957,348
Equity interest in joint venture	614,393	-	-	-	614,393	-	-	-	-	-	-	614,393
Other long-term assets	49,314,458	-	-	-	49,314,458	-	-	-	-	-	(42,450,000)	6,864,458
Total other assets	64,886,199	-	-	-	64,886,199	-	-	-	-	-	(42,450,000)	22,436,199
Total assets	1,398,964,377	7,135,355	30,568,124	9,087,793	1,445,755,649	(817,314)	25,542,713	132,734,244	51,316,733	2,611,586	(73,828,971)	1,583,314,640
Deferred Outflows of Resources	32,823,630	-	-	-	32,823,630	-	-	-	-	-	-	32,823,630
Total assets and deferred outflows of resources	**$1,431,788,007**	**$ 7,135,355**	**$ 30,568,124**	**$ 9,087,793**	**$1,478,579,279**	**$ (817,314)**	**$ 25,542,713**	**$ 132,734,244**	**$ 51,316,733**	**$ 2,611,586**	**$ (73,828,971)**	**$1,616,138,270**

Consolidating Statement of Net Position (Continued)

December 31, 2025

	Denver Health Medical Center	City Fund	RMDS	Restricted Fund	Total Authority	CCPPS	550 Acoma Inc.	DHMP	DHRC	Centennial	Eliminating Entries	Total
Liabilities and Net Position (Deficit)												
Current Liabilities												
Accounts payable and accrued expenses	$ 63,346,128	$ 751,000	$ 699,864	$ 17,760	$ 64,814,752	$ (94,101)	$ 135,383	$ 4,298,693	$ -	$ 1,772,261	$ (2,233,589)	$ 68,693,399
Current maturities of long-term debt	12,765,000	-	-	-	12,765,000	-	840,000	-	-	-	-	13,605,000
Current maturities of leases and subscriptions	18,283,002	-	-	-	18,283,002	-	-	6,184,143	-	-	-	24,467,145
Accrued liabilities and other:												
Accrued salaries, wages, and employee benefits	49,799,821	-	-	-	49,799,821	-	-	-	-	1,101,675	-	50,901,496
Accrued compensated absences	43,703,162	-	-	-	43,703,162	-	-	-	-	-	-	43,703,162
Unearned revenue	26,353,190	-	115,924	2,477,076	28,946,190	-	-	1,414,963	-	-	-	30,361,153
Medical loss ratio payable and other unearned premiums	-	-	-	-	-	-	-	19,571,149	-	-	-	19,571,149
Accrued claims and loss adjustment expenses	-	-	-	-	-	-	-	49,919,336	-	-	(24,533,239)	25,386,097
Total current liabilities	214,250,303	751,000	815,788	2,494,836	218,311,927	(94,101)	975,383	81,388,284	-	2,873,936	(26,766,828)	276,688,601
Long-term Debt - Net of current portion	359,346,760	-	-	-	359,346,760	-	35,284,223	-	-	-	-	394,630,983
Lease and Subscription Liabilities - Net of current portion	23,345,874	-	-	-	23,345,874	-	-	12,333,635	-	-	-	35,679,509
Net Pension Liability	173,521,093	-	-	-	173,521,093	-	-	-	-	-	-	173,521,093
Other Liabilities												
Postemployment benefits	7,438,674	-	-	-	7,438,674	-	-	-	-	-	-	7,438,674
Estimated third-party settlements	4,512,471	-	-	-	4,512,471	-	-	-	-	-	-	4,512,471
Long-term portion of compensated absences	377,148	-	-	-	377,148	-	-	-	-	-	-	377,148
Notes payable to Denver Health and Hospital Authority	-	-	-	-	-	-	-	42,450,000	-	-	(42,450,000)	-
Total other liabilities	12,328,293	-	-	-	12,328,293	-	-	42,450,000	-	-	(42,450,000)	12,328,293
Total liabilities	782,792,323	751,000	815,788	2,494,836	786,853,947	(94,101)	36,259,606	136,171,919	-	2,873,936	(69,216,828)	892,848,479
Deferred Inflows of Resources	9,548,125	-	-	-	9,548,125	-	-	-	-	-	-	9,548,125
Total liabilities and deferred inflows of resources	792,340,448	751,000	815,788	2,494,836	796,402,072	(94,101)	36,259,606	136,171,919	-	2,873,936	(69,216,828)	902,396,604
Net Position (Deficit)												
Unrestricted	341,201,202	5,467,518	29,752,336	6,592,957	383,014,013	(723,213)	2,808,239	(3,429,431)	51,316,733	(262,350)	(4,612,143)	428,111,848
Net investment in capital assets	298,246,357	916,837	-	-	299,163,194	-	(13,525,132)	(8,244)	-	-	-	285,629,818
Total net position (deficit)	639,447,559	6,384,355	29,752,336	6,592,957	682,177,207	(723,213)	(10,716,893)	(3,437,675)	51,316,733	(262,350)	(4,612,143)	713,741,666
Total liabilities, deferred inflows of resources, and net position (deficit)	**$1,431,788,007**	**$ 7,135,355**	**$ 30,568,124**	**$ 9,087,793**	**$1,478,579,279**	**$ (817,314)**	**$ 25,542,713**	**$ 132,734,244**	**$ 51,316,733**	**$ 2,611,586**	**$ (73,828,971)**	**$1,616,138,270**

Consolidating Statement of Net Position

December 31, 2024

	Denver Health Medical Center	City Fund	RMDS	Restricted Fund	Total Authority	CCPPS	550 Acoma Inc.	DHMP	Eliminating Entries	Total
Assets										
Current Assets										
Cash and cash equivalents	$ 80,618,412	$ -	$ -	$ -	$ 80,618,412	$ 278,506	$ -	$ 637,658	$ -	$ 81,534,576
Patient accounts receivable - Net	131,386,700	-	-	-	131,386,700	-	-	-	(21,545,799)	109,840,901
Due from governmental entities	12,901,905	-	-	17,749,401	30,651,306	-	-	-	-	30,651,306
Due from City and County of Denver	6,989,232	2,184,350	10,013	-	9,183,595	-	-	-	-	9,183,595
Other receivables	5,217,831	74,259	3,068,870	13,050,522	21,411,482	262,167	-	14,406,332	-	36,079,981
Reinsurance receivable	-	-	-	-	-	-	-	24,108,319	-	24,108,319
Interest receivable	1,701,440	-	-	-	1,701,440	-	-	191,411	-	1,892,851
Due from other funds and investment in discretely presented component units	(12,749,589)	2,435,974	27,049,083	(12,038,378)	4,697,090	(1,615,716)	2,917,853	(1,086,603)	(4,612,143)	300,481
Inventories	22,221,301	-	-	-	22,221,301	-	-	-	-	22,221,301
Prepaid expenses and other assets	16,553,585	-	845,553	30,222	17,429,360	-	-	1,228,027	-	18,657,387
Premiums receivable - Net	-	-	-	-	-	-	-	28,096,395	-	28,096,395
Total current assets	264,840,817	4,694,583	30,973,519	18,791,767	319,300,686	(1,075,043)	2,917,853	67,581,539	(26,157,942)	362,567,093
General Long-term Investments	286,550,482	-	-	-	286,550,482	-	-	18,159,055	-	304,709,537
Restricted Investments	21,224,759	-	-	-	21,224,759	-	4,156	1,231,815	-	22,460,730
Capital, Leased, and Subscription Assets	595,686,926	576,381	-	(28,390)	596,234,917	-	23,758,439	19,667,292	-	639,660,648
Other Assets										
Accounts receivable	364,465	-	-	-	364,465	-	-	-	-	364,465
Notes receivable	14,957,348	-	-	-	14,957,348	-	-	-	-	14,957,348
Equity interest in joint venture	627,800	-	-	-	627,800	-	-	-	-	627,800
Other long-term assets	16,048,139	-	-	-	16,048,139	-	-	-	(8,500,000)	7,548,139
Total other assets	31,997,752	-	-	-	31,997,752	-	-	-	(8,500,000)	23,497,752
Total assets	1,200,300,736	5,270,964	30,973,519	18,763,377	1,255,308,596	(1,075,043)	26,680,448	106,639,701	(34,657,942)	1,352,895,760
Deferred Outflows of Resources	62,713,983	-	-	-	62,713,983	-	-	-	-	62,713,983
Total assets and deferred outflows of resources	**$ 1,263,014,719**	**$ 5,270,964**	**$ 30,973,519**	**$ 18,763,377**	**$ 1,318,022,579**	**$ (1,075,043)**	**$ 26,680,448**	**$ 106,639,701**	**$ (34,657,942)**	**$ 1,415,609,743**

Consolidating Statement of Net Position (Continued)

December 31, 2024

	Denver Health Medical Center	City Fund	RMDS	Restricted Fund	Total Authority	CCPPS	550 Acoma Inc.	DHMP	Eliminating Entries	Total
Liabilities and Net Position (Deficit)										
Current Liabilities										
Accounts payable and accrued expenses	$ 49,395,111	$ 751,000	$ 488,576	$ 17,760	$ 50,652,447	$ (104,681)	$ 138,738	$ 3,447,002	$ -	$ 54,133,506
Current maturities of long-term debt	11,245,181	-	-	-	11,245,181	-	805,000	-	-	12,050,181
Current maturities of leases and subscriptions	18,340,543	-	-	-	18,340,543	-	-	4,831,369	-	23,171,912
Accrued liabilities and other:										
Accrued salaries, wages, and employee benefits	50,176,482	-	-	-	50,176,482	-	-	-	-	50,176,482
Accrued compensated absences	40,019,019	-	-	-	40,019,019	-	-	-	-	40,019,019
Unearned revenue	24,752,062	-	115,375	8,897,470	33,764,907	-	-	1,344,051	-	35,108,958
Medical loss ratio payable and other unearned premiums	-	-	-	-	-	-	-	32,253,401	-	32,253,401
Accrued claims and loss adjustment expenses	-	-	-	-	-	-	-	52,053,406	(21,545,799)	30,507,607
Total current liabilities	193,928,398	751,000	603,951	8,915,230	204,198,579	(104,681)	943,738	93,929,229	(21,545,799)	277,421,066
Long-term Debt - Net of current portion	257,069,324	-	-	-	257,069,324	-	36,223,537	-	-	293,292,861
Lease and Subscription Liabilities - Net of current portion	31,843,964	-	-	-	31,843,964	-	-	15,171,603	-	47,015,567
Net Pension Liability	168,257,946	-	-	-	168,257,946	-	-	-	-	168,257,946
Other Liabilities										
Postemployment benefits	7,499,184	-	-	-	7,499,184	-	-	-	-	7,499,184
Estimated third-party settlements	6,512,712	-	-	-	6,512,712	-	-	-	-	6,512,712
Long-term portion of compensated absences	353,093	-	-	-	353,093	-	-	-	-	353,093
Notes payable to Denver Health and Hospital Authority	-	-	-	-	-	-	-	8,500,000	(8,500,000)	-
Total other liabilities	14,364,989	-	-	-	14,364,989	-	-	8,500,000	(8,500,000)	14,364,989
Total liabilities	665,464,621	751,000	603,951	8,915,230	675,734,802	(104,681)	37,167,275	117,600,832	(30,045,799)	800,352,429
Deferred Inflows of Resources	9,601,576	-	-	-	9,601,576	-	-	-	-	9,601,576
Total liabilities and deferred inflows of resources	675,066,197	751,000	603,951	8,915,230	685,336,378	(104,681)	37,167,275	117,600,832	(30,045,799)	809,954,005
Net Position (Deficit)										
Unrestricted	280,792,207	3,943,583	30,369,568	9,876,537	324,981,895	(970,362)	2,783,271	(10,625,451)	(4,612,143)	311,557,210
Net investment in capital assets	307,156,315	576,381	-	(28,390)	307,704,306	-	(13,270,098)	(335,680)	-	294,098,528
Total net position (deficit)	587,948,522	4,519,964	30,369,568	9,848,147	632,686,201	(970,362)	(10,486,827)	(10,961,131)	(4,612,143)	605,655,738
Total liabilities, deferred inflows of resources, and net position (deficit)	**$ 1,263,014,719**	**$ 5,270,964**	**$ 30,973,519**	**$ 18,763,377**	**$ 1,318,022,579**	**$ (1,075,043)**	**$ 26,680,448**	**$ 106,639,701**	**$ (34,657,942)**	**$ 1,415,609,743**

Consolidating Statement of Revenue, Expenses, and Changes in Net Position

Year Ended December 31, 2025

	Denver Health Medical Center	City Fund	RMDS	Restricted Fund	Total Authority	CCPPS	550 Acoma Inc.	DHMP	DHRC	Centennial	Eliminating Entries	Total
Unrestricted Revenue, Gains, and Other Support												
Patient service revenue	$ 1,150,192,645	$ 10,149,879	$ 41,959	$ -	$ 1,160,384,483	$ -	$ -	$ -	$ -	$ -	$ (289,061,786)	$ 871,322,697
Medicaid Disproportionate Share and other safety net reimbursement	183,962,495	-	-	-	183,962,495	-	-	-	-	-	-	183,962,495
Premium revenue	-	-	-	-	-	-	-	523,633,949	-	2,675,944	(2,675,944)	523,633,949
City and County of Denver payment for patient care services	30,777,300	-	-	-	30,777,300	-	-	-	-	-	-	30,777,300
Federal, state, and other grants	6,990	-	-	92,543,471	92,550,461	-	-	-	-	-	-	92,550,461
City and County of Denver purchased services	8,498,729	30,819,364	115,040	-	39,433,133	-	-	-	-	-	-	39,433,133
Poison and drug center contracts	-	-	18,041,326	-	18,041,326	-	-	-	-	-	-	18,041,326
Other operating revenue	57,770,293	1,622,135	(37)	262,724	59,655,115	518,505	-	7,602,318	-	-	-	67,775,938
Total unrestricted revenue, gains, and other support	1,431,208,452	42,591,378	18,198,288	92,806,195	1,584,804,313	518,505	-	531,236,267	-	2,675,944	(291,737,730)	1,827,497,299
Operating Expenses												
Salaries and benefits	845,625,515	33,722,458	11,522,509	71,453,779	962,324,261	-	-	22,293,917	-	-	-	984,618,178
Contracted services and nonmedical supplies	239,944,863	5,367,538	7,295,163	19,301,974	271,909,538	271,356	(2,470,071)	17,326,805	-	2,310,735	(2,675,944)	286,672,419
Medical supplies and pharmaceuticals	262,937,342	2,659,032	156	1,433,631	267,030,161	-	-	-	-	-	-	267,030,161
Medical and pharmacy claims incurred	(1,678)	-	-	-	(1,678)	-	-	479,000,448	-	793,108	(289,061,786)	190,730,092
Depreciation and amortization	68,731,846	234,605	-	-	68,966,451	-	1,159,348	5,994,548	-	-	-	76,120,347
Total operating expenses	1,417,237,888	41,983,633	18,817,828	92,189,384	1,570,228,733	271,356	(1,310,723)	524,615,718	-	3,103,843	(291,737,730)	1,805,171,197
Operating Income (Loss)	13,970,564	607,745	(619,540)	616,811	14,575,580	247,149	1,310,723	6,620,549	-	(427,899)	-	22,326,102

Consolidating Statement of Revenue, Expenses, and Changes in Net Position (Continued)

Year Ended December 31, 2025

	Denver Health Medical Center	City Fund	RMDS	Restricted Fund	Total Authority	CCPPS	550 Acoma Inc.	DHMP	DHRC	Centennial	Eliminating Entries	Total
Nonoperating (Expense) Revenue												
Change in equity in joint venture	$ (4,069)	$ -	$ -	$ -	$ (4,069)	$ -	$ -	$ -	$ -	$ -	$ -	$ (4,069)
Net grant revenue (expense), including FEMA	2,363,701	-	-	(886,434)	1,477,267	-	-	-	-	-	-	1,477,267
Transfers to/from affiliates	(49,018,254)	12,441	2,308	(2,985,567)	(51,989,072)	-	-	-	51,824,072	165,000	-	-
Interest income	21,069,708	-	-	-	21,069,708	-	21,393	1,848,265	436,416	549	-	23,376,331
Interest expense	(17,427,830)	-	-	-	(17,427,830)	-	(1,562,182)	(1,577,503)	-	-	-	(20,567,515)
Net increase (decrease) in fair value of investments	10,974,370	-	-	-	10,974,370	-	-	632,145	(943,755)	-	-	10,662,760
Gain on disposition of capital assets	4,475,570	-	-	-	4,475,570	-	-	-	-	-	-	4,475,570
Sales tax revenue	63,844,902	-	-	-	63,844,902	-	-	-	-	-	-	63,844,902
Total nonoperating revenue (expense)	36,278,098	12,441	2,308	(3,872,001)	32,420,846	-	(1,540,789)	902,907	51,316,733	165,549	-	83,265,246
Income (Loss) before Contributions	50,248,662	620,186	(617,232)	(3,255,190)	46,996,426	247,149	(230,066)	7,523,456	51,316,733	(262,350)	-	105,591,348
Contributions Restricted for Capital Assets	1,250,375	1,244,205	-	-	2,494,580	-	-	-	-	-	-	2,494,580
Increase (Decrease) in Net Position	51,499,037	1,864,391	(617,232)	(3,255,190)	49,491,006	247,149	(230,066)	7,523,456	51,316,733	(262,350)	-	108,085,928
Net Position (Deficit) - Beginning of year	587,948,522	4,519,964	30,369,568	9,848,147	632,686,201	(970,362)	(10,486,827)	(10,961,131)	-	-	(4,612,143)	605,655,738
Net Position (Deficit) - End of year	**$ 639,447,559**	**$ 6,384,355**	**$ 29,752,336**	**$ 6,592,957**	**$ 682,177,207**	**$ (723,213)**	**$ (10,716,893)**	**$ (3,437,675)**	**$ 51,316,733**	**$ (262,350)**	**$ (4,612,143)**	**$ 713,741,666**

Denver Health and Hospital Authority

Consolidating Statement of Revenue, Expenses, and Changes in Net Position

Year Ended December 31, 2024

	Denver Health Medical Center	City Fund	RMDS	Restricted Fund	Authority Total	CCPPS	550 Acoma Inc.	DHMP	Eliminating Entries	Total
Operating Revenue										
Net patient service revenue	$ 1,050,806,370	$ 8,712,391	$ 25,017	$ -	$ 1,059,543,778	$ -	$ -	$ -	$ (257,116,590)	$ 802,427,188
Medicaid Disproportionate Share and other safety net reimbursement	164,575,118	-	-	-	164,575,118	-	-	-	-	164,575,118
Premium revenue	-	-	-	-	-	-	-	433,705,262	-	433,705,262
City and County of Denver payment for patient care services	30,777,300	-	-	-	30,777,300	-	-	-	-	30,777,300
Federal, state, and other grants	-	-	-	102,817,683	102,817,683	-	-	-	-	102,817,683
City and County of Denver purchased services	8,388,585	26,263,060	108,528	-	34,760,173	-	-	-	-	34,760,173
Poison and drug center contracts	-	-	19,675,467	-	19,675,467	-	-	-	-	19,675,467
Other operating revenue	59,124,421	2,060,563	-	103,419	61,288,403	459,482	-	6,943,747	(2,704,132)	65,987,500
Total operating revenue	1,313,671,794	37,036,014	19,809,012	102,921,102	1,473,437,922	459,482	-	440,649,009	(259,820,722)	1,654,725,691
Operating Expenses										
Salaries and benefits	795,985,601	31,729,403	11,908,415	77,946,895	917,570,314	-	-	19,188,028	-	936,758,342
Contracted services and nonmedical supplies	221,569,035	4,641,103	7,270,397	19,754,857	253,235,392	407,788	(2,468,099)	44,100,246	(2,704,132)	292,571,195
Medical supplies and pharmaceuticals	236,284,377	2,264,376	3,571	1,517,349	240,069,673	-	-	-	-	240,069,673
Medical and pharmacy claims incurred	-	-	-	-	-	-	-	428,191,147	(257,116,590)	171,074,557
Depreciation and amortization	72,552,956	169,895	-	-	72,722,851	-	1,162,180	5,399,092	-	79,284,123
Total operating expenses	1,326,391,969	38,804,777	19,182,383	99,219,101	1,483,598,230	407,788	(1,305,919)	496,878,513	(259,820,722)	1,719,757,890
Operating (Loss) Income	(12,720,175)	(1,768,763)	626,629	3,702,001	(10,160,308)	51,694	1,305,919	(56,229,504)	-	(65,032,199)
Nonoperating (Expense) Revenue										
Change in equity in joint venture	(23,214)	-	-	-	(23,214)	-	-	-	-	(23,214)
Net grant revenue (expense), including FEMA	3,019,169	-	-	(4,921,454)	(1,902,285)	-	-	-	-	(1,902,285)
Transfers to/from affiliates	2,546,601	-	1,675	951,724	3,500,000	-	-	(3,500,000)	-	-
Interest income	14,158,888	-	-	-	14,158,888	-	26,222	747,584	-	14,932,694
Interest expense	(13,106,668)	-	-	-	(13,106,668)	-	(1,600,598)	(702,872)	-	(15,410,138)
Net increase (decrease) in fair value of investments	5,837,831	-	-	-	5,837,831	-	-	1,382,671	-	7,220,502
Gain on disposition of capital assets	2,253,958	-	-	-	2,253,958	-	-	-	-	2,253,958
Total nonoperating revenue (expense)	14,686,565	-	1,675	(3,969,730)	10,718,510	-	(1,574,376)	(2,072,617)	-	7,071,517
Income (Loss) before Contributions	1,966,390	(1,768,763)	628,304	(267,729)	558,202	51,694	(268,457)	(58,302,121)	-	(57,960,682)
Contributions Restricted for Capital Assets	1,858,690	720,671	-	-	2,579,361	-	-	-	-	2,579,361
Increase (Decrease) in Net Position	3,825,080	(1,048,092)	628,304	(267,729)	3,137,563	51,694	(268,457)	(58,302,121)	-	(55,381,321)
Net Position (Deficit) - Beginning of year	584,123,442	5,568,056	29,741,264	10,115,876	629,548,638	(1,022,056)	(10,218,370)	47,340,990	(4,612,143)	661,037,059
Net Position (Deficit) - End of year	**$ 587,948,522**	**$ 4,519,964**	**$ 30,369,568**	**$ 9,848,147**	**$ 632,686,201**	**$ (970,362)**	**$ (10,486,827)**	**$ (10,961,131)**	**$ (4,612,143)**	**$ 605,655,738**