Financial Statements and
Independent Auditor's Report

Foothills Gateway, Inc.

June 30, 2026

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Foothills Gateway, Inc.

Opinion

We have audited the accompanying financial statements of Foothills Gateway, Inc. (FGI) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2026, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Foothills Gateway, Inc. as of June 30, 2026, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 FGI and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted 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 generally accepted 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 FGI'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 FGI'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.

Report on Summarized Comparative Information

We have previously audited FGI's 2025 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 20, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2025, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Logan, Thomas & Johnson, LLC

Castle Rock, Colorado
October 19, 2026

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Financial Statements

Foothills Gateway, Inc.
STATEMENT OF FINANCIAL POSITION
June 30, 2026
(With summarized financial information as of June 30, 2025)

	2026	2025
ASSETS		
Current assets		
Cash and cash equivalents	$ 1,602,795	$ 1,575,111
Investments	4,532,052	4,348,065
Accounts receivable		
Fees and grants from governmental agencies, net of allowance for credit losses of $0	4,944,349	4,553,477
Other, net of allowance for credit losses of $0	195,108	107,588
Prepaid expenses and other	218,350	225,414
Total current assets	11,492,654	10,809,655
Investments	4,725,812	4,276,761
Land, building and equipment, net	722,681	780,623
Total assets	$ 16,941,147	$ 15,867,039
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	$ 2,213,510	$ 1,886,920
Total current liabilities	2,213,510	1,886,920
Net assets		
Without donor restrictions		
Designated memorial funds	85,925	101,813
Designated for capital repair and non billable services	615,515	590,816
Designated CMA IDD and EI needs	2,403,737	2,403,737
Designated CMA non-IDD reserves	2,877,608	2,360,710
Designated for operating expenses	5,689,478	5,689,478
Designated for employee benefits	138,291	-
Net investment in land, building and equipment	722,681	780,623
Undesignated	2,138,655	1,980,225
Total without donor restrictions	14,671,890	13,907,402
With donor restrictions - purpose restrictions	55,747	72,717
Total net assets	14,727,637	13,980,119
Total liabilities and net assets	$ 16,941,147	$ 15,867,039

The accompanying notes are an integral part of this statement.

Foothills Gateway, Inc.
STATEMENT OF ACTIVITIES
Year ended June 30, 2026
(With summarized financial information for the year ended June 30, 2025)

	Without donor restrictions	With donor restrictions	Total 2026	Total 2025
Revenues and support				
Fees and grants from governmental agencies				
Fees for services				
State of Colorado				
State General Fund	$ 6,582,081	$ -	$ 6,582,081	$ 6,849,879
Medicaid	8,439,749	-	8,439,749	7,310,952
Larimer County	6,831,428	-	6,831,428	6,474,537
Grants and other				
U.S. Department of Housing and Urban Development	40,093	-	40,093	41,869
Colorado Division of Vocational Rehabilitation	799	-	799	53,896
Other	1,905	-	1,905	7,512
Total fees and grants from governmental agencies	21,896,055	-	21,896,055	20,738,645
Public support				
Contributions	234,167	54,214	288,381	253,644
Other revenue	1,233,403	-	1,233,403	949,414
Net assets released from restrictions				
Satisfaction of program restrictions	71,184	(71,184)	-	-
Total revenues and support	23,434,809	(16,970)	23,417,839	21,941,703

(Continued)

The accompanying notes are an integral part of this statement.

Foothills Gateway, Inc.
STATEMENT OF ACTIVITIES (CONTINUED)
Year ended June 30, 2026
(With summarized financial information for the year ended June 30, 2025)

	Without donor restrictions	With donor restrictions	Total 2026	Total 2025
Expenses				
Program services				
Adult day programs and supports	$ 1,259,809	$ -	$ 1,259,809	$ 1,788,347
Respite house	542,609	-	542,609	452,001
Transportation	760,283	-	760,283	708,150
Children & family services	3,691,641	-	3,691,641	3,810,850
Case management	13,174,820	-	13,174,820	11,373,065
Behavioral health	314,080	-	314,080	323,708
Housing	68,975	-	68,975	62,928
Organized health care delivery system	363,849	-	363,849	294,741
Total program services	20,176,066	-	20,176,066	18,813,790
Supporting services				
Management and general	2,483,661	-	2,483,661	2,438,019
Fundraising	10,594	-	10,594	14,736
Total expenses	22,670,321	-	22,670,321	21,266,545
CHANGE IN NET ASSETS	764,488	(16,970)	747,518	675,158
Net assets, beginning of year	13,907,402	72,717	13,980,119	13,304,961
Net assets, end of year	$ 14,671,890	$ 55,747	$ 14,727,637	$ 13,980,119

The accompanying notes are an integral part of this statement.

Foothills Gateway, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2026
(With summarized financial information for the year ended June 30, 2025)

	Program Services				
	Adult day programs and supports	Respite house	Transport-ation	Children & family services	Case manage-ment
Expenses					
Salaries, benefits and taxes	$ 35,691	$ 436,478	$ 548,199	$ 132,794	$ 12,361,706
Professional services	172	5,442	5,794	458	29,337
Staff development and travel	54	4,289	3,814	605	119,636
Vehicles	25	1,154	55,886	4	4,257
Occupancy and equipment	25,994	58,674	38,342	2,708	275,851
Individuals in service - assistance and activities	763,309	14,680	24,161	3,552,127	117,768
Insurance	8,164	4,587	59,930	706	74,287
Other	410,943	12,372	5,295	1,946	142,097
Depreciation	15,457	4,933	18,862	293	49,881
Total expenses	$ 1,259,809	$ 542,609	$ 760,283	$ 3,691,641	$ 13,174,820

The accompanying notes are an integral part of this statement.

Program Services					Total	
Behavioral health	Housing	Organized health care delivery system	Management and general	Fund-raising	2026	2025
$ 159,492	$ 58,906	$ 12,888	$ 2,097,898	$ 2,022	$ 15,846,074	$ 14,168,768
8,266	43	1	68,329	-	117,842	142,258
651	1,142	9	35,950	54	166,204	140,418
409	6	-	468	-	62,209	62,462
14,676	2,327	608	109,100	216	528,496	598,488
121,240	65	349,719	57	-	4,943,126	5,037,626
3,042	1,788	106	29,839	-	182,449	171,673
1,815	3,929	428	118,370	8,302	705,497	759,679
4,489	769	90	23,650	-	118,424	185,173
$ 314,080	$ 68,975	$ 363,849	$ 2,483,661	$ 10,594	$ 22,670,321	$ 21,266,545

The accompanying notes are an integral part of this statement.

Foothills Gateway, Inc.
STATEMENT OF CASH FLOWS
Year ended June 30, 2026
(With summarized financial information for the year ended June 30, 2025)

	2026	2025
Cash flows from operating activities		
Change in net assets	$ 747,518	$ 675,158
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	118,424	185,173
Realized/unrealized gain on investments	(349,664)	(386,918)
(Gain)/loss on sale of fixed assets	(71,914)	4,872
Change in assets and liabilities		
Increase in accounts receivable	(478,392)	(123,676)
(Increase) decrease in prepaid expenses and other	7,064	(12,764)
Increase in accounts payable and accrued expenses	326,590	290,492
Net cash provided by operating activities	299,626	632,337
Cash flows from investing activities		
Purchase of land, building and equipment	(60,482)	(388,452)
Proceeds from sale of fixed assets	71,914	5,250
Purchases of investments	(5,206,464)	(3,254,753)
Proceeds from sale of investments	4,923,090	2,796,089
Net cash used in investing activities	(271,942)	(841,866)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	27,684	(209,529)
Cash and cash equivalents, beginning of year	1,575,111	1,784,640
Cash and cash equivalents, end of year	$ 1,602,795	$ 1,575,111

The accompanying notes are an integral part of this statement.

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This description of Foothills Gateway, Inc.'s (FGI) nature of activities and summary of significant accounting policies is presented to assist in understanding FGI's financial statements.

1. *Summary of Business Activities*

Foothills Gateway, Inc., a Colorado nonprofit corporation, was incorporated under the laws of the State of Colorado in 1968 for the purpose of providing a Community Centered Board to coordinate programs through interagency cooperation and local agencies to provide services to persons with developmental disabilities in Larimer County. As of March 1, 2024, FGI is also the Case Management Agency (CMA) for all Medicaid Waivers and other Long-Term Services and Supports Programs in Larimer County. FGI's revenue comes primarily from the State of Colorado and Larimer County for services provided.

2. *Description of Services Provided*

The major program services or supports and functional activities directly provided or purchased by FGI are:

Program Services or Supports

Adult Day Programs and Supports includes Adult Supported Living Services for State SLS which provides individual living services for persons who are responsible for their own living arrangements in the community; OBRA program which provides opportunities for community engagement to individuals living in nursing home settings. State SLS and OBRA services are provided by Program Approved Service Agencies or other vendors (i.e., not Foothills Gateway staff). In addition, FGI rents a portion of the main building to another non-profit agency for IDD Waivers and Day Program services. FGI also funds Grants to assist programs or agencies to meet the unmet needs of individuals with Intellectual and Developmental Disabilities (IDD)/developmental delays served by FGI and who reside in Larimer County.

Respite House provides family respite and supervision services for adults with IDD.

Transportation is "Home to Day Program transportation" services relevant to an individuals' with IDD work schedule. For these purposes "work schedule" is defined broadly to include adult and retirement activities such as education, training, community integration and employment.

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. *Description of Services Provided (Continued)*

Program Services or Supports (Continued)

Children & Family Services are for children from birth through age two which offer infants and toddlers and their families services and supports to enhance child development in the areas of cognition, speech, communication, physical, motor, vision, hearing, social-emotional development, and self-help skills; parent-child or family interaction; and early identification, screening and assessment services. Also provides Family Support Services Direct Service funding which is a reimbursement program to assist families.

Case Management is the determination of eligibility for services and supports, service and support coordination, and the monitoring of all services and supports delivered pursuant to the Service Plan (SP), and the evaluation of results identified in the SP. Case Management programs include State of Colorado Medicaid Waiver programs and other Long-Term Services and Supports such as Programs of All-Inclusive Care for the Elderly (PACE) and Skilled Nursing Facility (SNF) as well as Case Management services to individuals enrolled in State General Fund Programs. FGI is also the Early Intervention Broker (EIB) for Larimer County.

Behavioral Health includes access to an onsite agency which provides behavioral health services; provides crisis services for individuals ages six and older using the START program model; and behavioral services.

Housing subsidies enable participants to better afford housing in Larimer County by subsidizing their rent with federal funds. FGI administers Housing Choice Vouchers (HCV) housing subsidies. In addition to this, FGI rents out one single family home at an affordable rate to a Host Home provider serving individuals enrolled in an IDD Waiver.

Organized Health Care Delivery System (OHCDS) is for when a CMA contracts with other qualified providers to furnish services authorized in any Home and Community-Based Services waivers, also referred to as services provided by third-party vendors that are funded through Medicaid Waivers. FGI is the Medicaid provider of record for a Member whose services are delivered through the OHCDS in Larimer County.

Supporting Services

Management and General includes those activities necessary for planning, coordination and overall direction of the organization, financial administration, general board activities and other related activities indispensable to FGI's corporate existence.

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. *Description of Services Provided (Continued)*

Supporting Services (Continued)

Fundraising represents FGI's costs to develop and maintain a fundraising effort that generates awareness and increases support for persons with all abilities.

3. *Basis of Accounting*

Financial statements of FGI have been prepared on the accrual basis, whereby revenue is recorded when services are performed and expenses are recognized when incurred.

4. *Use of Estimates*

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

5. *Subsequent Events*

FGI has evaluated events and transactions occurring subsequent to the end of the fiscal year for potential recognition or disclosure through October 19, 2026, the date on which the financial statements were issued. FGI did not identify any events or transactions that would have a material impact on the financial statements.

6. *Cash and Cash Equivalents*

For purpose of the statement of cash flows, FGI considers cash to be cash on hand and cash on deposit, subject to immediate withdrawal, and cash equivalents to be certificates of deposit with an original maturity of three months or less. FGI maintains cash balances in financial institutions located in Fort Collins, Colorado, which at times, may exceed federally insured limits. FGI has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

7. *Accounts Receivable*

The majority of FGI's accounts receivable are due from the State of Colorado. Accounts receivable are due according to contractual terms and are stated at the amount management expects to collect from outstanding balances. FGI has tracked historical loss information for its accounts receivable. FGI has determined that the current and reasonable and supportable forecasted economic conditions are consistent with the economic conditions included in the historical information. As a result, the historical loss rates have been adjusted for differences in current conditions or forecasted changes. Accordingly, FGI believes all receivables are collectible and that no allowance for credit loss is necessary as of June 30, 2026. FGI writes off accounts receivable to bad debt expense after reasonable collection efforts have been made. Payments subsequently received on such receivables, if any, are recorded as other revenue.

8. *Investments*

FGI records investments in equity and debt securities at fair value in the statement of financial position as determined by quoted market prices. 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 statement of financial position.

9. *Land, Building and Equipment*

Land, building and equipment are reported at cost for purchased assets with a cost of $3,000 or more, and at estimated fair value, at date of receipt, for donated property. Depreciation is provided on the straight-line method over the following estimated useful lives:

	Years
Buildings and improvements	10–50
Program and administrative equipment	3–10

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

10. *Revenue Recognition*

Revenue is reported at the amount that reflects the consideration to which FGI expects to be entitled in exchange for providing services. Program revenue consists primarily of funds received from the State of Colorado for Medicaid and other services, proceeds from mill levies in Larimer County, miscellaneous smaller grants and awards from federal, state, county and municipal sources. Billings for services are billed after the services are performed. As performance obligations are satisfied, revenue is recognized.

Performance obligations are determined based on the nature of the services provided. As performance obligations are satisfied over time, revenue is recognized based on when related services are performed. This method provides for the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligations. Transaction price is based on standard charges for services provided, which is set by the State of Colorado. Rent income is recognized in the month in which it is earned rather than received.

11. *Accounting for Contributions*

All contributions are considered to be without donor restrictions unless specifically restricted by the donor. Amounts received that are designated for future periods, or are restricted by the donor for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises to give, which do not state a due date, are presumed to be time-restricted by the donor until received and are reported as net assets with donor restrictions.

A donor restriction expires when a stipulated time restriction ends, when an unconditional promise with an implied time restriction is collected, or when a purpose restriction is accomplished. Upon expiration, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions. Restricted contributions received in the same year in which the restrictions are met are recorded as increases in net assets without donor restrictions.

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

12. *Income Taxes*

FGI is operated as a nonprofit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. FGI recognizes tax liabilities when, despite FGI's belief that its tax return positions are supportable, FGI believes that certain positions may not be fully sustained upon review by tax authorities. Benefits from tax positions are measured at the largest amount of benefit that is greater than fifty percent likely of being realized upon settlement. FGI has concluded there is no tax liability or benefit required to be recorded as of June 30, 2026. FGI is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress for any tax periods. FGI believes it is no longer subject to income tax examinations for the years prior to the year ended June 30, 2023.

13. *Functional Allocation of Expenses*

The costs of supporting various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Certain costs have been allocated to program and management and general based on estimates of time and effort, square footage of the office and other methods.

14. *Fair Value Measurements*

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. A fair value hierarchy has been established under generally accepted accounting principles, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include debt and equity securities and mutual funds that are traded in an active exchange market.

Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. This category generally includes certain U.S. Government agency debt securities and corporate debt securities. FGI's

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

14. *Fair Value Measurements (Continued)*

Level 2 securities are primarily valued using quoted market prices for similar instruments and nonbinding market prices that are corroborated by observable market data.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

Fair value estimates are made at a specific point in time, based on available market information and judgments about the financial asset, including estimates of timing, amount of expected future cash flows, and the credit standing of the issuer. In some cases, the fair value estimates cannot be substantiated by comparison to independent markets. In addition, the disclosed fair value may not be realized in the immediate settlement of the financial asset. The disclosed fair values do not reflect any premium or discount that could result from offering for sale at one time an entire holding of a particular financial asset. Potential taxes and other expenses that would be incurred in an actual sale or settlement are not reflected in amounts disclosed.

15. *Prior Year Summarized Information and Reclassifications*

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with FGI's financial statements for the year ended June 30, 2025, from which the summarized information was derived. Certain financial information as of and for the year ended June 30, 2025 has been reclassified to conform with the presentation for the current year.

NOTE B – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	$ 1,602,795
Investments	4,532,052
Accounts receivable	5,139,457
	$ 11,274,304

As a part of FGI's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, FGI invests cash in excess of daily requirements in short-term investments.

NOTE C – INVESTMENTS

The following table presents FGI's investments and the fair value hierarchy for those assets measured at fair value as of June 30, 2026:

	Fair value	Level 1	Level 2	Level 3
Financial assets:				
Equity income securities:				
Domestic	$ 1,366,290	$ 1,366,290	$ -	$ -
International	315,201	315,201	-	-
Mutual funds:				
Domestic	578,828	578,828	-	-
International	437,551	437,551	-	-
Alternative	817,715	817,715	-	-
U.S. Government agency securities	2,948,406	-	2,948,406	-
Corporate bonds	2,793,873	-	2,793,873	-
	$ 9,257,864	$ 3,515,585	$ 5,742,279	$ -

Investments are classified between current and noncurrent based on their maturity dates.

Current investments	$ 4,532,052
Noncurrent investments	4,725,812
Total investments	$ 9,257,864

Investment return for the year ended June 30, 2026, consists of the following:

Investment income	$ 265,918
Unrealized gain on investments	242,056
Realized gain on investments	107,608
	$ 615,582

NOTE D – LAND, BUILDING AND EQUIPMENT

Land, building and equipment consist of the following at June 30, 2026:

Buildings and improvements	$ 6,470,220
Program and administrative equipment	1,276,955
	7,747,175
Less accumulated depreciation	7,080,794
	666,381
Land	56,300
	$ 722,681

Depreciation expense was $118,424 for the year ended June 30, 2026.

NOTE E – NET ASSETS

From time to time, FGI's Board of Directors approves designating net assets for future use for a specific purpose. Net investment in land, building and equipment is comprised of net land, building and equipment. Net assets with donor restrictions are restricted for the following purposes as of June 30, 2026:

ACS House Furniture	$ 10,000
Children and family	11,106
FSS council	18,161
Other	16,480
	$ 55,747

NOTE F – RETIREMENT PLAN

FGI has established a defined contribution retirement plan for all employees age 21 and over who have completed one year of service. FGI contributes an amount equal to 5% of the salary of each participant totaling $519,168 for the year ended June 30, 2026.

NOTE G – FUNCTIONALIZED EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated included salaries and benefits, telephone, depreciation and amortization, insurance, utilities, postage, storage and equipment lease, and miscellaneous, which are allocated on the basis of usage studies, square footage and other methods.

NOTE H - CONCENTRATIONS

FGI receives a substantial amount of revenue from the State of Colorado and Larimer County, Colorado. For the year ended June 30, 2026, FGI received $15,024,534 from the State of Colorado derived from State and Federal sources which comprises 64% of total revenue and $6,831,428 from Larimer County, Colorado which comprises 29% of total revenue. In addition, FGI has State of Colorado related receivables of $3,190,039 which comprises 62% of total accounts receivable and Larimer County related receivables of $1,754,310 which comprises 34% of total accounts receivable.