



**FAMILY TREE, INC.**

**Consolidated  
Financial Statements and  
Supplementary Information  
(Audited)**

***For the Years Ended  
June 30, 2025 and 2024***

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SUPPLEMENTARY INFORMATION**

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## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Family Tree, Inc.

### **Report on the Audit of the Consolidated Financial Statements**

#### ***Opinion***

We have audited the accompanying consolidated financial statements of Family Tree, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Family Tree, Inc. as of June 30, 2025, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Family Tree, Inc. 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.

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

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

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

#### ***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

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

that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Family Tree, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Family Tree, Inc.'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 Family Tree, Inc.'s 2024 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated October 25, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

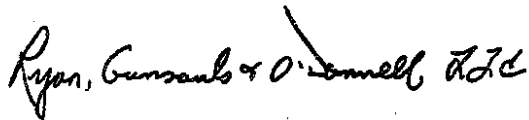
#### ***Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and activities for year ended June 30, 2025, and the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit

Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2025 on our consideration of the Family Tree, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 Family Tree, Inc.'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 Family Tree, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Ryan, Gunsauls & O'Donnell, LLC". The signature is written in a cursive, flowing style.

Denver, Colorado  
December 19, 2025

**Family Tree, Inc.**  
**Consolidated Statements of Financial Position**  
**June 30, 2025 and 2024**

**ASSETS**

	<b><u>2025</u></b>	<b><u>2024</u></b>
Current assets:		
Cash and cash equivalents	\$ 1,429,997	\$ 914,320
Restricted cash	81,185	79,166
Money market funds	1,285,566	1,229,994
Accounts receivable	1,899,548	2,176,946
Right of use asset- operating, current portion	9,136	7,584
Prepays	41,936	71,814
Investments	1,369,990	1,242,331
<b>Total current assets</b>	<b><u>6,117,358</u></b>	<b><u>5,722,155</u></b>
Land	534,633	534,633
Donated building, net	2,351,815	2,422,369
Property and equipment, net	5,515,767	4,937,133
Right-of-use assets-operating, net of amortization and net of current portion	10,567	9,963
Other assets:		
Note receivable from LLLP, net of allowance	952,482	900,339
Lease receivable - ground lease, net of allowance	276,527	276,527
Beneficial interest in Colorado Gives Foundation	298,785	274,750
Investment in Marshall Homes Development, LLC	1,609,865	220,776
Investment in Marshall Homes, LLLP	1,261,600	265,600
<b>Total other assets</b>	<b><u>4,399,259</u></b>	<b><u>1,937,992</u></b>
<b>Total long-term assets</b>	<b><u>12,812,041</u></b>	<b><u>9,842,090</u></b>
<b>Total assets</b>	<b><u>\$ 18,929,399</u></b>	<b><u>\$ 15,564,245</u></b>

*See accompanying independent auditors' report and notes to consolidated financial statements.*

**Family Tree, Inc.**  
**Consolidated Statements of Financial Position (continued)**  
**June 30, 2025 and 2024**

**LIABILITIES AND NET ASSETS**

	<b><u>2025</u></b>	<b><u>2024</u></b>
Current Liabilities:		
Accounts payable	\$ 182,815	254,056
Accrued expenses and other liabilities	374,092	483,361
Deferred revenue	514,094	466,972
Due to Marshall Homes, LLLP	1,261,600	265,600
Current portion of lease liability-operating leases	9,136	7,584
Current portion of note payable, net of issuance costs	<u>28,754</u>	<u>27,540</u>
<b>Total current liabilities</b>	<b><u>2,370,491</u></b>	<b><u>1,505,113</u></b>
Non-current liabilities:		
Deferred lease revenue	1,253,749	1,266,665
Long-term portion of lease liability-operating leases	10,567	9,963
Note payable, net of issuance costs	<u>251,492</u>	<u>279,863</u>
<b>Total non-current liabilities</b>	<b><u>1,515,808</u></b>	<b><u>1,556,491</u></b>
<b>Total liabilities</b>	<b><u>3,886,299</u></b>	<b><u>3,061,604</u></b>
Net assets:		
Without donor restrictions:		
Undesignated	11,858,130	9,291,582
Designated by board for strategic investments	<u>-</u>	<u>187,245</u>
Total without donor restrictions	<u>11,858,130</u>	<u>9,478,827</u>
With donor restrictions:		
Perpetual in nature	174,917	174,917
Time restricted for future periods	2,674,815	2,422,369
Purpose restrictions	<u>335,238</u>	<u>426,528</u>
Total with donor restrictions	<u>3,184,970</u>	<u>3,023,814</u>
<b>Total net assets</b>	<b><u>15,043,100</u></b>	<b><u>12,502,641</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 18,929,399</u></b>	<b><u>\$ 15,564,245</u></b>

*See accompanying independent auditors' report and notes to consolidated financial statements.*

**Family Tree, Inc.**  
**Consolidated Statements of Activities**  
**For the Years Ended June 30, 2025 With Summarized Comparative Totals for 2024**

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>2025</u>	<u>2024 (Summarized)</u>
<b>Revenue and support:</b>				
Contributed support:				
Federal government grants	\$ 4,130,210	\$ -	\$ 4,130,210	\$ 3,701,096
Other government grants	1,816,676	-	1,816,676	1,855,461
Program service fees	1,624,414	-	1,624,414	1,838,211
Foundation grants	826,807	190,000	1,016,807	783,576
Corporations and individual contributions	450,666	323,000	773,666	675,863
Development fee income	597,188	-	597,188	159,250
Contributed nonfinancial assets	559,875	-	559,875	303,094
Special events, net	108,013	-	108,013	136,242
Other income	11,619	-	11,619	20,000
	<u>10,125,468</u>	<u>513,000</u>	<u>10,638,468</u>	<u>9,472,793</u>
Net assets released from restrictions	305,298	(305,298)	-	-
<b>Total contributed support</b>	<b><u>10,430,766</u></b>	<b><u>207,702</u></b>	<b><u>10,638,468</u></b>	<b><u>9,472,793</u></b>
Revenues from contracts:				
Earned revenues from program services	505,413	-	505,413	613,784
<b>Total revenues from contracts</b>	<b><u>505,413</u></b>	<b><u>-</u></b>	<b><u>505,413</u></b>	<b><u>613,784</u></b>
Lease income	<u>60,529</u>	<u>-</u>	<u>60,529</u>	<u>64,065</u>
<b>Total revenues and support</b>	<b><u>10,996,708</u></b>	<b><u>207,702</u></b>	<b><u>11,204,410</u></b>	<b><u>10,150,642</u></b>
<b>Functional expenses:</b>				
Program services	8,908,854	-	8,908,854	8,723,155
General and administration	970,741	-	970,741	941,745
Fund development	547,632	-	547,632	609,534
<b>Total functional expenses</b>	<b><u>10,427,227</u></b>	<b><u>-</u></b>	<b><u>10,427,227</u></b>	<b><u>10,274,434</u></b>
<b>Change in net assets from operating activities</b>	<b><u>569,481</u></b>	<b><u>207,702</u></b>	<b><u>777,183</u></b>	<b><u>(123,792)</u></b>
<b>Non-operating income (expense):</b>				
Development fee income-nonoperating	996,000	-	996,000	265,600
Capital grant income	768,147	-	768,147	1,141,010
Net capitalized lease income from the Project	12,915	-	12,915	9,862
Grant revenue for the Project	52,144	-	52,144	900,339
Investment return	182,600	-	182,600	130,659
Change in beneficial interest	-	24,035	24,035	21,734
Depreciation	(248,956)	-	(248,956)	(209,442)
Depreciation on donated building	-	(70,554)	(70,554)	(70,580)
Gain on sale of assets	7,842	-	7,842	-
Interest income	50,486	-	50,486	46,372
Interest expense	(11,383)	-	(11,383)	(12,410)
<b>Total non-operating income</b>	<b><u>1,809,795</u></b>	<b><u>(46,519)</u></b>	<b><u>1,763,276</u></b>	<b><u>2,223,144</u></b>
<b>Change in net assets</b>	<b>2,379,276</b>	<b>161,183</b>	<b>2,540,459</b>	<b>2,099,352</b>
Net assets at beginning of year	<u>9,478,827</u>	<u>3,023,814</u>	<u>12,502,641</u>	<u>10,403,289</u>
<b>Net assets at end of year</b>	<b>\$ <u>11,858,103</u></b>	<b>\$ <u>3,184,997</u></b>	<b>\$ <u>15,043,100</u></b>	<b>\$ <u>12,502,641</u></b>

*See accompanying independent auditors' report and notes to consolidated financial statements.*



**Family Tree, Inc.**  
**Consolidated Statements of Functional Expenses**  
**For the Years Ended June 30, 2025 With Summarized Comparative Totals for 2024**

	<b>Housing and Family Stabilization Services</b>	<b>Domestic Violence Services</b>	<b>Child and Youth Services</b>	<b>Integrated Services</b>	<b>Total Program Services</b>	<b>General and Administrative</b>	<b>Fund Development</b>	<b>Total Support Services</b>	<b>2025 Total Consolidated Expenses</b>	<b>2024 Summarized Total Expenses</b>
Salaries and benefits	\$ 2,125,404	\$ 1,400,405	\$ 1,216,126	\$ 469,280	\$ 5,211,215	\$ 1,126,404	\$ 345,611	\$ 1,472,015	\$ 6,683,230	\$ 6,870,051
Direct client costs	2,226,417	243,917	202,413	38,865	2,711,612	-	-	-	2,711,612	2,449,807
Contract services	20,892	116,505	5,950	11,431	154,778	121,513	489	122,002	276,780	177,154
Repairs and maintenance	100,881	39,868	-	81,288	222,037	-	-	-	222,037	183,185
Supplies and printing	38,423	9,951	8,256	24,641	81,271	23,717	11,558	35,275	116,546	94,203
Insurance	47,190	20,852	9,877	7,372	85,291	19,752	4,390	24,142	109,433	104,179
Utilities	65,187	18,455	-	22,930	106,572	-	-	-	106,572	116,755
Travel	13,391	14,078	29,102	2,395	58,966	1,579	2,645	4,224	63,190	57,037
Phone, IT, connectivity, postage	18,747	13,527	11,014	3,263	46,551	2,330	2,543	4,873	51,424	58,336
Staff development, meetings, recruitment	3,037	3,919	8,713	20,234	35,903	9,946	646	10,592	46,495	33,141
Merchant fees, other fees, dues	6,492	919	3,154	1,380	11,945	8,754	8,462	17,216	29,161	38,957
Volunteer and board	-	-	-	-	-	1,516	4,128	5,644	5,644	6,708
Outreach	-	-	1,991	-	1,991	-	380	380	2,371	7,186
Merchandise and other	-	14	-	-	14	1,260	189	1,449	1,463	1,287
Building lease and rent	100	-	-	1,169	1,269	-	-	-	1,269	76,448
Facilities and allocations	426,333	233,247	241,042	(721,183)	179,439	(346,030)	166,591	(179,439)	-	-
<b>Total functional expenses</b>	<b>\$ 5,092,494</b>	<b>\$ 2,115,657</b>	<b>\$ 1,737,638</b>	<b>\$ (36,935)</b>	<b>\$ 8,908,854</b>	<b>\$ 970,741</b>	<b>\$ 547,632</b>	<b>\$ 1,518,373</b>	<b>\$ 10,427,227</b>	<b>\$ 10,274,434</b>

*See accompanying independent auditors' report and notes to consolidated financial statements.*

**Family Tree, Inc.**  
**Consolidated Statements of Cash Flows**  
**For the Years Ended June 30, 2025 and 2024**

	<u><b>2025</b></u>	<u><b>2024</b></u>
Cash flows from operating activities:		
Change in net assets	\$ 2,540,459	\$ 2,099,352
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Capital grants income	(768,147)	(1,141,010)
Grant revenue for the Project	(99,661)	(900,339)
Development fee income-nonoperating	(996,000)	(265,600)
Net capitalized lease income from the Project	(12,916)	(9,862)
Net realized and unrealized (gain) loss on investments	(94,710)	(141,244)
Allowance adjustment on notes receivable from LLLP	47,518	-
Change in beneficial interest	(24,035)	(7,977)
Gain on sale of property and equipment	(7,842)	-
Depreciation	248,956	209,442
Depreciation on donated building	70,554	70,580
Amortization of right of use asset-operating	8,430	7,019
(Increase) decrease in operating assets:		
Accounts receivable	277,398	(545,084)
Prepays	29,878	(34,222)
Increase (decrease) in operating liabilities:		
Accounts payable	(71,241)	(99,112)
Accrued expenses and other liabilities	(109,269)	(345,031)
Deferred revenue	47,122	464,972
Operating lease liabilities	(8,430)	(7,019)
<b>Net cash provided by (used in) operating activities</b>	<u><b>1,078,064</b></u>	<u><b>(645,135)</b></u>
Cash flows from investing activities:		
Purchase of investments	-	(1,151,703)
Transfer of cash to money market funds	-	(1,000,000)
Proceeds on sale of investments	-	1,630,285
Reinvestments	(88,521)	(41,526)
Proceeds on sale of property and equipment	10,299	-
Purchases of property and equipment	(830,047)	(1,163,533)
Proceeds from capital grants	768,147	1,141,010
Proceeds received on lease revenue	-	1,000,000
Due to Marshall Homes, LLLP	996,000	265,600
Investment in Marshall Homes Development, LLC	(1,389,089)	(220,776)
<b>Net cash (used in) provided by investing activities</b>	<u><b>(533,211)</b></u>	<u><b>459,357</b></u>

*See accompanying independent auditors' report and notes to consolidated financial statements.*

**Family Tree, Inc.**  
**Consolidated Statements of Cash Flows (continued)**  
**For the Years Ended June 30, 2025 and 2024**

	<u><b>2025</b></u>	<u><b>2024</b></u>
Cash flows from financing activities:		
Payments on note payable	\$ <u>(27,157)</u>	\$ <u>(26,131)</u>
<b>Net cash used in financing activities</b>	<u><b>(27,157)</b></u>	<u><b>(26,131)</b></u>
<b>Net change in cash and cash equivalents and restricted cash</b>	<b>517,696</b>	<b>(211,909)</b>
Total cash and cash equivalents and restricted cash, beginning of year	<u>993,486</u>	<u>1,205,395</u>
<b>Total cash and cash equivalents and restricted cash , end of year</b>	<b>\$ <u><u>1,511,182</u></u></b>	<b>\$ <u><u>993,486</u></u></b>
Cash and cash equivalents	1,429,997	914,320
Restricted cash	<u>81,185</u>	<u>79,166</u>
<b>Total cash, cash equivalents and restricted cash</b>	<b>\$ <u><u>1,511,182</u></u></b>	<b>\$ <u><u>993,486</u></u></b>
<b><u>Supplemental disclosure of non-cash investing activities:</u></b>		
Note receivable from lease income	\$ <u>-</u>	\$ <u><u>1,200,000</u></u>
Bad debts and allowance on lease receivable	\$ <u>-</u>	\$ <u><u>(923,473)</u></u>
Addition of operating lease	\$ <u><u>10,586</u></u>	\$ <u>-</u>
<b><u>Supplemental disclosure of cash flow information:</u></b>		
Interest paid	\$ <u><u>(11,382)</u></u>	\$ <u><u>(12,410)</u></u>

*See accompanying independent auditors' report and notes to consolidated financial statements.*

**FAMILY TREE, INC.**  
**Notes to Consolidated Financial Statements**  
**June 30, 2025 and 2024**

**Note 1: Nature of Operations and Services**

Nature of Operations

Family Tree, Inc.'s (Family Tree) mission is to partner with all people to prevent and overcome the interconnected issues of homelessness, child abuse, and domestic violence, to promote safety, stability, and healing across generations. Family Tree began filling service gaps in child abuse and domestic violence in Jefferson County in 1976 and began offering homelessness services in 1989.

Family Tree operates nine programs across three programmatic areas – Child and Youth Services, Domestic Violence Services, and Housing and Family Stabilization Services. works with priority populations located in the seven-county Denver metro region who have been affected by child abuse, domestic violence, and homelessness. During Family Tree's most recently completed fiscal year (2024-2025), internal data indicates, it served primarily female-headed households (75%), most adults are between 26-45 years old (59%), with annual income under \$20,000 (57%) upon intake. In fiscal year 2024-2025, Family Tree served 6,465 clients with direct, in-person services, and responded to an additional 14,208 crisis and helpline calls. Through the three residential facilities, Family Tree assisted 734 clients and provided over 28,700 nights of safe shelter to individuals and families.

Family Tree's services include:

***Child & Youth Services:*** Offers community-based education, treatment, crisis intervention, and case management to stabilize children and youth and to help families overcome and prevent situations of child abuse and neglect.

***Community Family Resource Team (CFRT):*** Four-month, home-based therapeutic program providing crisis intervention, school-based assistance, and support to stabilize families and keep youth safely in their homes. During fiscal year 2024-2025, 65 households with at-risk youths were assisted with in-home services; 89% of families who successfully completed services reported that CFRT helped them become more empowered and able to effectively advocate for themselves.

***Safecare Colorado:*** Evidence-based, in-home program providing direct skills training in parenting, child safety, and health in Adams and Jefferson counties. In fiscal year 2024-2025, 142 families actively engaged with the program and 77% of those families completed one or more Safecare topics, proving a significant increase in parenting skills.

***Kinship Programs:*** Home-based financial/supportive services for relative caretakers struggling to maintain stability/housing for children in their care. This program assists families who are parenting a relative's or non-biological child(ren) and/or for families receiving child-only TANF. During fiscal year 2024-2025, 430 families (1,306 individuals) received supportive services to increase children's stability in their homes and 99% of survey respondents reported increased stability for the children in their care.

***Domestic Violence Services:*** Keeps domestic violence survivors safe through crisis intervention, advocacy, outreach, emergency shelter, and legal advocacy. During fiscal year 2024-2025, 6,662 callers were assisted through the crisis/helpline with resource connections, advocacy, counseling, and crisis intervention.

**FAMILY TREE, INC.**  
**Notes to Consolidated Financial Statements**  
**June 30, 2025 and 2024**

**Note 1: Nature of Operations and Services, continued**

Family Tree's Services include, continued

***Domestic Violence Services:*** *(continued)*

*Roots of Courage:* Provides 45-day confidential shelter, case management, and support for survivors and their children who are fleeing domestic violence situations. 6,922 nights of shelter were provided in fiscal year 2024-2025. 93% of survey respondents reported they know more ways to plan for their safety.

*Legal Advocacy Program:* Increases immediate and long-term safety through civil/criminal legal advocacy and crisis intervention. 643 people were served in fiscal year 2024-2025, 89% of those surveyed reported they know more ways to plan for their safety.

*Domestic Violence Outreach Program:* Increases safety/healing, and decreases isolation of victims and their children through advocacy in a safe, community setting. During fiscal year 2024-2025, 956 people were served and 83% of those surveyed reported they know more ways to plan for their safety.

***Housing & Family Stabilization Services:*** Provides individual and family stabilization services through emergency shelter, crisis helpline, homeless prevention services, case management, education, housing and rental assistance and employment services, along with ancillary support for people experiencing homelessness and those at risk of becoming homeless.

*Homelessness Program:* Comprehensive support, case management and employment guidance, stabilizing individuals/families and providing access to affordable housing. During fiscal year 2024-2025, 4,627 people were connected to resources through the crisis helpline, and 1,348 households received direct services including rental assistance, utility assistance and case management. 96% of exiting households moved into safe and stable housing.

*House of Hope:* 90-day shelter, case management, and support for families experiencing homelessness. During fiscal year 2024-2025, House of Hope provided 8,498 nights of shelter to 198 individuals, comprising 70 families, with 72% of exiting families moving to safe and stable housing.

*Generational Opportunities to Achieve Long-term Success (GOALS) Program:* Two-generation program designed to break the intergenerational cycle of poverty and homelessness providing families experiencing homelessness with holistic, wrap-around support including temporary housing for up to nine months and access to quality early childhood education, work force development, physical and mental health and other support services. During fiscal year 2024-2025, GOALS housed 190 individuals, providing 13,262 nights of shelter and 93% of exiting families moved into safe and stable housing.

***Integrated Services:*** Provides services that support clients across the organization in achieving their goals.

*Continuous Improvement Practice (CIP):* An extensive set of tools and practices developed to improve Family Tree's work and outcomes for the benefit of its clients using a relevant, strong, and aligned data impact strategy along with data collection tools and data management and program evaluation practices that help track a client's progress toward short- and long-term goals.

**Family Tree, Inc.**  
**Notes to Consolidated Financial Statements**  
**June 30, 2025 and 2024**

**Note 1: Nature of Operations and Services, continued**

Family Tree's Services include, continued

*Diversity, Equity and Inclusion:* Works to ensure a welcoming and equitable environment for a diverse and inclusive community across all levels of the organization.

*Property Management:* Provides safe and secure facilities to ensure continuous operation and control of physical facilities owned and/or used for services.

Consolidation of Family Tree GP, LLC - wholly owned entity of Family Tree

In February 2023, Family Tree, Inc. formed Family Tree GP, LLC (GP) to hold its .0025% interest in the Marshall Homes Limited Liability Limited Partnership (the LLLP). GP was incorporated under the laws of the State of Colorado and is 100% owned by Family Tree, Inc. The results of GP's operations have been included in Family Tree, Inc.'s financial statements.

Marshall Street Landing

On February 29, 2024, Family Tree closed a transaction to redevelop approximately 1.87 acres of land owned by Family Tree (the Site). The redevelopment plan contemplates the development of an apartment building to be known as Marshall Street Landing (the Project) which will provide 85 units of permanent supportive housing for individuals and families who are at or below 30% area median income and have experienced homelessness.

The Project is owned by Marshall Homes, LLLP (the LLLP). The LLLP is owned as follows:

*.0025% by Family Tree GP, LLC (GP), a single member limited liability company wholly owned by Family Tree, as Administrative General Partner;*

*.0075% by Morning Dew, LLC, a limited liability company wholly owned by principals of Blueline Development, Inc. (Blueline), as Managing General Partner;*

*.0075% by Morning Dew, LLC, a limited liability company wholly owned by principals of Blueline Development, Inc. (Blueline), as Managing General Partner;*

*.01% by Foothills Regional Housing Authority as Special Limited Partner*

*99.88% by BF Marshall Homes, LLC and BFIM Special Limited Partner, Inc as Investor Limited Partner*

The Managing General Partner manages all aspects of planning, construction and completion of the Project, including supervision of financing, design, construction and compliance. Family Tree is the lead service provider for the Project.

The Developer of the Project is Marshall Homes Development, LLC (the Developer). Family Tree is a 25% owner and Blueline is 75% owner of the Developer. The Developer oversees the construction and/or rehabilitation of the Project. Family Tree's 25% interest in the Developer is shown as Investment in Marshall Homes Development, LLC on the statements of financial position.

**Family Tree, Inc.**  
**Notes to Consolidated Financial Statements**  
**June 30, 2025 and 2024**

**Note 1: Nature of Operations and Services, continued**

Marshall Street Landing, continued

The Developer has entered into a Development Agreement with the LLLP to provide development services and receive development fees as compensation for such services. Total development fees are \$4,513,000 which includes \$1,328,000 of additional fees permitted by financing authorities for projects providing permanent supportive housing and referred to as a developer fee boost (the Boost Fee). These fees are recognized as revenue as described in Note 9.

The Project will be constructed on the Site which has been leased to the LLLP pursuant to a 75-year ground lease (the Ground Lease). The Ground Lease limits the use of the Site to the development of the Project and requires the use to be in compliance with all legal, contractual and regulatory requirements of the Project. Total consideration for the Ground Lease is \$2.2 million, of which \$1 million was received in fiscal year 2024. The remaining \$1.2 million was taken back as a note receivable as described in Note 8.

Financing for the Project was closed in February 2024 and included \$18,469,743 in equity from federal and state Low Income Housing Tax Credits; \$11,740,000 in permanent debt proceeds; \$6,750,000 in subordinate debt (including \$1,700,000 of debt to Family Tree as described in Note 7), and \$1,247,411 in deferred development fees as described in Note 9.

**Note 2: Summary of Significant Accounting Policies**

This summary of significant accounting policies of Family Tree is presented to assist in the understanding of Family Tree's consolidated financial statements. The consolidated financial statements and notes are representations of Family Tree management, who is responsible for the integrity and objectivity of the consolidated financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America (U.S. GAAP) and have been consistently applied in the preparation of the consolidated financial statements.

Basis of Presentation

The consolidated financial statements have been prepared in accordance with U.S. GAAP which requires to report information regarding its financial position and activities according to the following net asset classifications:

*Net assets without donor restrictions* – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of Family Tree.

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

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

**Family Tree, Inc.**  
**Notes to Consolidated Financial Statements**  
**June 30, 2025 and 2024**

**Note 2: Summary of Significant Accounting Policies, continued**

Basis of Accounting

The accompanying consolidated financial statements have been prepared on an accrual basis in accordance with U.S. GAAP; and accordingly, reflect all significant receivables, payables, and other liabilities.

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements; and the reported amounts of revenues and expense during the reporting period. Accordingly, actual results could differ from those estimates. It is reasonably possible that estimates may change in the near term.

Principles of Consolidation

The consolidated financial statements for June 30, 2025 and 2024, include the accounts of Family Tree, Inc. and GP in accordance with *Consolidation of Variable Interest Entities*. This topic requires that consolidated financial statements include entities in which the organization has a controlling financial interest, i.e. a majority voting interest.

Fair Value

Cash, cash equivalents, money market funds, receivables, prepaid expenses, investments, payables, and accrued expenses and other liabilities are reflected in the consolidated financial statements at fair value. The amounts reported in the consolidated financial statements approximate fair values because of their short maturities.

Cash and Cash Equivalents

Family Tree considers all highly liquid investments with original maturities of three months or less that are not part of the investment portfolio to be cash equivalents. Uninvested cash and cash equivalents included in investment accounts are not considered to be cash or cash equivalents.

Restricted Cash

Restricted cash is comprised of funds internally designated for future health insurance increases that are not available for general use.

Money market funds

Money market funds are liquid funds held by professional managers. These funds are not considered cash or cash equivalents.

Accounts Receivable

Accounts receivable represents amounts due from government grants, program service fee contracts, and amounts to be received under other agreements. Individual governmental and private



**FAMILY TREE, INC.**  
**Notes to Consolidated Financial Statements**  
**June 30, 2025 and 2024**

**Note 2: Summary of Significant Accounting Policies, continued**

Accounts Receivable, continued

grant arrangements are evaluated and determined whether they are nonreciprocal, meaning the granting entity has not received a direct benefit of commensurate value in exchange for resources provided. Instead, revenues are recognized like a conditional contribution, when the barrier to entitlement is overcome. The barrier to entitlement is considered overcome when expenditures associated with each grant are determined to be allowable and all other significant conditions of the grant are met. These receivables are all due within one year.

Contributions receivable, including promises to give, are recognized as revenues in the period received. Unconditional pledges with terms greater than one year are initially recorded at fair value based on their estimated future cash flows. Pledges are discounted to present value using a discount rate commensurate with the risk involved. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met. Gifts of assets other than cash are recorded at their estimated fair value.

Family Tree uses the allowance method to determine uncollectible receivables. The allowance method is based on prior years' experience and management's analysis of specific receivable balances. Accounts receivable consisted of the following as of June 30:

	<u><b>2025</b></u>	<u><b>2024</b></u>
Accounts receivable-government	\$ 1,445,765	\$ 2,132,249
Accounts receivable-other	18,713	44,697
Contributions-pledges and grants	230,861	-
Developer fee receivable	204,209	-
Allowance	-	-
Total accounts receivable	<u>\$ 1,899,548</u>	<u>\$ 2,176,946</u>

Long-lived Assets

Whenever certain events occur, Family Tree management assesses the carrying value of its long-lived assets for impairment. If management determines that impairment has occurred, a loss is recognized based on the excess of the assets' carrying values over the estimated fair values. No impairment losses were recognized for the years ended June 30, 2025 and 2024.

Donated Buildings

Effective November 1, 2018, Family Tree entered into a long-term lease of four buildings located in Aurora, Colorado on the site of a former non-profit residential campus. Terms include \$100 per year base rent, with an initial lease term of 40 years and four options to extend the term of the lease for an additional 10 years each. The lease includes an option to purchase the buildings for \$100 and enter into a 99-year ground lease of the underlying land at the time certain redevelopment work on the campus is completed. The property houses the GOALS program which provides housing and supportive services to families overcoming homelessness.

The lease was recorded as a contribution with donor restriction for time with a fair value of \$2,822,176 at the date the lease was executed and classified in the statements of financial position as

**Family Tree, Inc.**  
**Notes to Consolidated Financial Statements**  
**June 30, 2025 and 2024**

**Note 2: Summary of Significant Accounting Policies, continued**

Donated Buildings, continued

donated buildings. The donated buildings will be depreciated over the 40-year term on a straight-line basis. Corresponding amounts will also be released from restriction. The balance, net of depreciation, at June 30, 2025 and 2024, was \$2,351,815 and \$2,422,369, respectively, and is disclosed separately in the statements of financial position. Depreciation expense for the donated buildings for each of the years ending June 30, 2025 and 2024, totaled \$70,554 and \$70,580, respectively.

Property and Equipment

It is Family Tree policy to capitalize property and equipment over \$5,000. Lesser amounts are expensed. Property and equipment are stated at cost, and depreciation is calculated using the straight-line method of depreciation over the following estimated useful lives:

		<u>2025</u>	<u>2024</u>
Building and land improvements	10-40 years	\$ 7,262,499	\$ 6,579,359
Furniture, fixtures, and equipment	5-15 years	397,947	260,899
Vehicles	5-10 years	<u>-</u>	<u>41,672</u>
Total		7,660,446	6,881,930
Less accumulated depreciation		<u>(2,144,679)</u>	<u>(1,944,797)</u>
Property and equipment, net		<u>\$ 5,515,767</u>	<u>\$ 4,937,133</u>

Gains and losses on fixed assets are recognized in the year of disposal. Repairs and maintenance charges, which do not increase the useful lives of the assets, are charged to operations as incurred. Depreciation expense for the years ending June 30, 2025 and 2024, totaled \$248,956 and \$209,442, respectively.

Leases

Family Tree determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (“ROU”) lease assets, current of portion of lease obligations, and long-term lease obligations on Family Tree’s statements of financial position. ROU lease assets represent Family Tree’s right to use an underlying asset for the lease term and lease obligations represent Family Tree’s obligation to make lease payments arising from the lease. Operating ROU lease assets and obligations are recognized at the commencement date based on the present value of lease payments over the lease term. As most of Family Tree’s leases do not provide an implicit rate, Family Tree uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. The ROU lease asset also includes any lease payments made and excludes lease incentives. Family Tree’s lease terms may include options to extend or terminate the lease when it is reasonably certain that Family Tree will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Investments

Family Tree has adopted the guidance for *Accounting for Certain Investments Held by Not-for-Profit Organizations*. Under the guidance, investments in marketable securities with readily

**FAMILY TREE, INC.**  
**Notes to Consolidated Financial Statements**  
**June 30, 2025 and 2024**

**Note 2: Summary of Significant Accounting Policies, continued**

Investments, continued

determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses, dividends and interest income are included in the change in net assets.

Compensated Absences

In accordance with the guidance for *Accounting for Compensated Absences*, Family Tree accrues vacation pay when earned. The liability for earned but unused balances at June 30, 2025 and 2024, totaled \$159,605 and \$154,195, respectively.

Public Support and Contributions

Public support and contributions received are recorded as revenues and net assets with or without donor restrictions, depending on the existence and nature of any donor restrictions or by law. In general, grants received by Family Tree are considered contributions.

Public support and contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as increases in net assets with donor restrictions. When a restriction is fulfilled, (that is, when a stipulated time restriction ends or the purpose of restriction is accomplished), net assets with donor restrictions are reclassified and reported in the statements of activities as net assets without donor restrictions. However, if a restriction is fulfilled in the same period in which the contribution is received, the support is reported as net assets without donor restrictions.

Revenue Recognition

In accordance with ASC Sub-Topic 958-605, *Revenue Recognition*, must determine whether a contribution (or a promise) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of release or a promise to transfer assets exist. Indicators of a barrier include a measurable performance-related barrier or other measurable barrier, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of an agreement. Topic 958 prescribes that should not consider probability of compliance with the barrier when determining if such contributions are conditional and should be reported as conditional contribution liability until such conditions are met.

Contributed Nonfinancial Assets

Family Tree has adopted the provisions of *Accounting for Contributions Received and Contributions Made*. Donated services are recognized as contributions if services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by Family Tree. Donated materials are valued as of the date of contribution and recognized accordingly. Contributed nonfinancial assets that consisted of donated materials and services for the years ended June 30, 2025 and 2024, were \$559,875 and \$303,094, respectively.

**Family Tree, Inc.**  
**Notes to Consolidated Financial Statements**  
**June 30, 2025 and 2024**

**Note 2: Summary of Significant Accounting Policies, continued**

Self-Insurance

Family Tree has elected to self-insure for state unemployment insurance. Family Tree is liable for certain expected losses. Provisions for losses expected under these programs are recorded based upon Family Tree's estimates of the aggregate liability for claims incurred. For the years ended June 30, 2025 and 2024, \$31,267 and \$30,529, respectively, was recorded as a provision for expected losses, and is included in accrued expenses and other liabilities on the statements of financial position.

Income Taxes

Family Tree is exempt from Federal income taxes for the purpose for which it was organized under Section 501(c)(3) of the Internal Revenue Code and is thereby also exempt from Colorado income tax. Family Tree is not classified as a private foundation. Accordingly, no provision has been made in the financial statements for income taxes. Family Tree has adopted the provisions of *Income Taxes*. In determining the recognition of uncertain tax positions, Family Tree applies a more-likely-than-not recognition threshold and determines the measurement of uncertain tax positions considering the amounts and probabilities of the outcomes that could be realized upon ultimate settlement with taxing authorities.

Family Tree analyzed its tax positions taken on their Federal tax returns for the open tax years 2021 through 2023 and determined no provision for uncertain tax positions was necessary as of June 30, 2025 and 2024.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis. The statements of functional expenses presents the natural classification detail of expenses by function. Certain costs have been allocated among the programs, management and general, and fund-raising functions based on various methods to reflect the effort expended on that program or function. Examples include estimated time worked for specific employees and budgeted number of full-time equivalent employees.

Comparative Financial Information

The consolidated 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 U.S. GAAP. Accordingly, such information should be read in conjunction with the audited consolidated financial statements for the year ended June 30, 2024, from which the summarized information was derived.

**Note 3: Availability and Liquidity**

Family Tree manages its liquidity and reserves using three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. has set a goal to have operating reserves of 3 to 9 months expenses with monthly calculation and monitoring procedures in place.

**FAMILY TREE, INC.**  
**Notes to Consolidated Financial Statements**  
**June 30, 2025 and 2024**

**Note 3: Availability and Liquidity, continued**

The following represents Family Tree's financial resources available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of June 30:

	<u>2025</u>	<u>2024</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 1,429,997	\$ 914,320
Restricted cash	81,185	79,166
Money market funds	1,285,566	1,229,994
Accounts receivable	1,899,548	2,176,946
Investments	<u>1,369,990</u>	<u>1,242,331</u>
Total financial assets	6,066,286	5,642,757
Less amounts not available to be used within one year:		
Restricted cash	(81,185)	(79,166)
Restricted funds	<u>(51,018)</u>	<u>(132,985)</u>
Total amounts unavailable	(132,203)	(212,151)
Financial resources available to meet general expenditures over the next twelve months	<u>\$ 5,934,083</u>	<u>\$ 5,430,606</u>

Family Tree receives contributions restricted by donors and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures.

Family Tree beneficial interest in Colorado Gives Foundation consists of funds restricted for a specific purpose. The funds are not available for general expenditure. Income from the beneficial interest fund is restricted for specific purposes. Donor-restricted funds are not available for general expenditure.

**Note 4: Fair Value of Investments**

Family Tree has adopted the provisions of ASC 820, *Fair Value Measurements*, which provides a framework for measuring fair value under generally accepted accounting principles. This framework defines fair values, establishes a consistent framework for measuring fair value and expands disclosure requirements for fair value measurements. Under this guidance, assets and liabilities are grouped in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

- Level 1 – Valuation is based upon quoted prices for identical instruments traded in active markets.
- Level 2 – Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.
- Level 3 – Valuation is generated from model-based techniques that use significant assumptions not observable in the market. These unobserved assumptions reflect the instrument's own estimates of assumptions that market participants would use in pricing

**Family Tree, Inc.**  
**Notes to Consolidated Financial Statements**  
**June 30, 2025 and 2024**

**Note 4: Fair Value of Investments, continued**

the asset or liability. Valuation techniques include use of option pricing models, discounted cash flow models and similar techniques.

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. Family Tree did not have Level 3 securities as of June 30, 2025 and 2024.

There have been no changes in the methodologies used at June 30, 2025 and 2024. The Level 2 investments of Family Tree are not publicly traded but are based on quoted prices. The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values.

Furthermore, while Family Tree believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date

The following tables set forth by level, within the fair value hierarchy, Family Tree assets at fair value as of June 30, 2025 and 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>2025</u>
Fixed income fund	\$ 356,722	\$ -	\$ -	\$ 356,722
Exchange traded funds	1,013,268	-	-	1,013,268
Beneficial interest in Colorado Gives Foundation	-	298,786	-	298,786
<b>Total assets at fair value</b>	<b><u>\$ 1,369,990</u></b>	<b><u>\$ 298,786</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,668,776</u></b>

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>2024</u>
Fixed income fund	\$ 24,906	\$ -	\$ -	\$ 24,906
Mutual funds	329,031	-	-	329,031
Exchanged traded funds	888,394	-	-	888,394
Beneficial interest in Colorado Gives Foundation	-	274,750	-	274,750
<b>Total assets at fair value</b>	<b><u>\$ 1,242,331</u></b>	<b><u>\$ 274,750</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,517,081</u></b>

**Family Tree, Inc.**  
**Notes to Consolidated Financial Statements**  
**June 30, 2025 and 2024**

**Note 5: Right-of Use Assets**

Right-of-use assets consist of the following at June 30:

	<u><b>2025</b></u>	<u><b>2024</b></u>
Right-of-use assets under operating		
Leases (equipment)	\$ 38,661	\$ 28,075
Less: accumulated amortization	<u>(18,958)</u>	<u>(10,528)</u>
Total	19,703	17,547
Short-term asset	<u>(9,136)</u>	<u>(7,584)</u>
Long-term asset	<u><u>\$ 10,567</u></u>	<u><u>\$ 9,963</u></u>

Amortization of the right-of-use assets for each of the years ended June 30, 2025 and 2024, was \$8,430 and \$7,019, respectively.

**Note 6: Investment in Marshall Homes Development, LLC**

Family Tree has a 25% interest in the Developer's member equity. Family Tree recognized its investment interest in the Developer in 2024. During the year ended June 30, 2025 and 2024, Family Tree recognized its 25% share of the development fees and increased the investment balances by \$1,389,089 and \$220,776, respectively. The investment balance is decreased by the amounts of developer fees received; of which Family Tree recognized amounts of \$204,099 for both the years ended June 30, 2025 and 2024. At June 30, 2025 and 2024, the total investment balance totaled \$1,609,865 and \$220,776, respectively.

**Note 7: Notes Receivable from Marshall Homes LLLP and Grant Income for the Project**

As part of the financing of the Project, Family Tree received a federal grant from Jefferson County for \$500,000 and non-federal grants for the City of Arvada for \$200,000 and from the Colorado Division of Housing for \$1,000,000 (collectively, the Project Grants), totaling \$1,700,000. These funds were loaned to the LLLP for Project costs and Family Tree received non-recourse Promissory Notes (the Project notes) for each of the loans of the grant funds. Each of the Project Notes is secured by a Deed of Trust against the Project, subordinate to the Project's construction and permanent debt, bears interest at 3% annum compounded annually, and is due and payable in full on or before February 29, 2064. Because the Project notes are subordinate to other debt, current cash flow projections indicate that a portion of the Project Notes and related accrued interest will not be collectible. Family Tree accrues interest monthly, and then adjusts the balances to zero at the end of each year. For the years ended June 30, 2025 and 2024, Family Tree recorded interest income of \$51,034 and \$9,756, respectively; then wrote off these same amounts as bad debts expenses and increased the allowance for notes receivable. At June 30, 2025 and 2024, the allowance for notes receivable totaled \$- and \$-, respectively.

Accordingly, the total balance of the Project Notes and accrued interest are also being written down based on cash flow projections to the estimated balance of \$952,482 and \$900,339 at June 30, 2025 and 2024, respectively. Family Tree also recognized amounts of grants revenues grant revenues for the Project as non-operating income as shown below:

	<u><b>2025</b></u>	<u><b>2024</b></u>
Total proceeds received from notes receivable	\$ 99,662	\$ 900,339
Adjustment to cash flow projections	<u>(47,518)</u>	<u>-</u>
	<u><u>\$ 52,144</u></u>	<u><u>\$ -</u></u>

**Family Tree, Inc.**  
**Notes to Consolidated Financial Statements**  
**June 30, 2025 and 2024**

**Note 7: Notes Receivable from Marshall Homes LLLP and Grant Income for the Project, continued**

The Jefferson County Project Note also required the recording of a Rent Use Covenant against the Site requiring at least 4 units in the Project to be restricted to Affordable Rents as defined by the U.S. Department of Housing and Urban Development for a period of at least 20 years.

**Note 8: Ground Lease Receivable from Marshall Homes, LLLP and Deferred Lease Revenue**

As a portion of the consideration for the Ground Lease, Family Tree entered into a \$1,200,000 Note Receivable (the Lease Note). The Lease Note bears interest at 4.18% per annum compounded annually and is payable from available cash flow pursuant to the terms of the Marshall Homes LLLP Amended and Restated Partnership Agreement (the Partnership Agreement) with the final payment due on the 40<sup>th</sup> anniversary of the date of the Project's permanent loan conversion. Based on the Project's cash flow projections, Family Tree has determined that portions of the Lease Note and its accrued interest are not collectible and has written them down to an estimated collectible balance of \$276,527 for both years ending June 30, 2025 and 2024.

Lease revenue from the Ground Lease has been deferred and is being recognized over the 75-year life of the lease. As of June 30, 2025 and 2024, the total balance deferred lease revenue was \$1,253,749 and \$1,266,665, respectively.

**Note 9: Development Fees**

Development fees pursuant to the Development Agreement are recognized as revenues by the Developer based on the percentage of completion of the Project. Cash payments for the Development Fees are made based on the achievement of certain milestones throughout the construction and leasing of the Project, with \$1,247,411 being deferred and paid from cash flow pursuant to the Partnership Agreement. 25% of the revenue and cash distributions for the Development Fees excluding the Boost is allocated to Family Tree. 100% of the revenue and cash distributions for the Boost Fee is allocable to Family Tree and is required by the Partnership Agreement to be contributed to the Partnership to create a reserve for funding supportive services for residents after completion of the Project.

Family Tree recognizes Boost Fee revenue as non-operating income and other Development Fee revenue as operating income. For years ending June 30, 2025 and 2024, Family Tree recognized \$597,188 and \$159,250 of operating revenue and \$996,000 and \$265,600 of non-operating revenue for Development Fees. Family Tree also accrued a payable to the LLLP for \$996,000 and \$265,600 as of June 30, 2025 and 2024, that it is required to contribute to the LLLP, respectively. Family Tree also received cash distributions from the Developer of \$204,099 each year ending June 30, 2025 and 2024.

**Note 10: Beneficial Interest in Colorado Gives Foundation**

Family Tree participates in the Nonprofit Preservation Challenge Grant Program established by the Colorado Gives Foundation. The purpose of this program is to assist charitable organizations with the formation of funds perpetual in nature. Under the terms and conditions of the grant award, in 2005 Family Tree made irrevocable transfers of restricted funds perpetual in nature to the Colorado Gives Foundation for the Helen's Hope Program (Helen's Hope), which supports domestic violence victims moving out of the Roots of Courage shelter into safe and stable housing.



**FAMILY TREE, INC.**  
**Notes to Consolidated Financial Statements**  
**June 30, 2025 and 2024**

**Note 10: Beneficial Interest in Colorado Gives Foundation, continued**

The Colorado Gives Foundation matched contributions received by Family Tree through July 2005 and provides investment management services. Distributions from the fund, per terms of the agreements, will be paid to Family Tree to support the Helen's Hope program. In addition, Family Tree pays the Colorado Gives Foundation a 1% fee for investment management services. Funds held by the Colorado Gives Foundation for the benefit of Family Tree are recorded as interest in net assets of the Colorado Gives Foundation, including contributions transferred, matched, and investment earnings, totaled \$298,785 and \$274,750 at June 30, 2025 and 2024, respectively.

**Note 11: Note Payable**

Family Tree has a note payable to Bank of America with interest rate of 3.69% maturing on January 1, 2034. The note is collateralized by certain property and assignment of rents on the related property. Monthly installments are \$3,212. Future annual maturities, net of issuance costs, of notes payable outstanding are as follows as of June 30:

2026	\$	28,754
2027		29,647
2028		30,739
2029		31,913
2030		33,111
Thereafter		<u>126,082</u>
Total payments	\$	280,246
Current portion		<u>(28,754)</u>
Long-term portion	\$	<u>251,492</u>

**Note 12: Net Assets Without Donor Restrictions**

Net assets without donor restrictions at June 30, have been designated for the following purposes:

	<u>2025</u>	<u>2024</u>
Designated by Board for Strategic Investments	\$ -	\$ 187,245
Undesignated	<u>11,858,130</u>	<u>9,291,582</u>
Total assets without donor restrictions	<u>\$ 11,858,130</u>	<u>\$ 9,478,827</u>

**Note 13: Net Assets With Donor Restrictions**

Net assets have been classified as with donor restrictions for the following purposes at June 30:

	<u>2025</u>	<u>2024</u>
Subject to Expenditure for specified purpose:		
Housing and Family Stabilization Services	\$ 282,063	\$ 184,959
Integrated Services	-	196,310
Domestic Violence Services	53,175	45,259
Child and Youth Services	-	-
Restricted for Future Operations	323,000	-
Restricted for Future Operations-Donated Building	<u>2,351,815</u>	<u>2,422,369</u>
Sub-total net assets with donor restrictions	<u>\$ 3,010,053</u>	<u>\$ 2,848,897</u>
Beneficial interest-held in perpetuity		
Helen's Hope	<u>174,917</u>	<u>174,917</u>
Total net assets with donor restrictions	<u>\$ 3,184,970</u>	<u>\$ 3,023,814</u>

**FAMILY TREE, INC.**  
**Notes to Consolidated Financial Statements**  
**June 30, 2025 and 2024**

**Note 14: Lease Obligations**

Family Tree leases equipment under long-term, noncancelable lease agreements. The leases expire between December 2026 and October 2029, and provides for renewal options. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases. Additionally, the agreements require that Family Tree to pay real estate taxes, insurance, repairs and certain operating expenses.

	<u><b>2025</b></u>	<u><b>2024</b></u>
Lease costs (expense):		
Operating lease costs	\$ <u>9,184</u>	\$ <u>7,584</u>
Other information:		
Operating cash flows from operating leases	\$ <u>9,184</u>	\$ <u>7,584</u>

Operating lease obligations consist of the following at June 30:

	<u><b>2025</b></u>	<u><b>2024</b></u>
Copiers; monthly payment of \$632; 48-month lease term expiring December 2026	\$ 11,376	\$ 28,075
Washers and dryers; monthly payment of \$200; 60-month lease term expiring October 2029	10,400	28,075
Less: accumulated amortization	<u>(2,073)</u>	<u>(10,528)</u>
Total	19,703	17,547
Less: current portion, discounted	<u>(9,136)</u>	<u>(7,584)</u>
Operating lease obligations, net of current portion; net of unamortized present value discount	<u>\$ 10,567</u>	<u>\$ 10,567</u>
Weighted- average remaining lease term	3.4 years	3.0 years
Weighted- average discount rate	5.00 %	5.00 %

Future annual undiscounted minimum lease payments required under the non-cancelable leases are as follows at

<u>Year ended June 30:</u>	<u>Present value</u> <u>discount</u>	<u>Present value</u> <u>discount</u>	<u>Net of</u> <u>unamortized</u> <u>discount</u>
2026	\$ 9,984	\$ 848	\$ 9,136
2027	6,192	565	5,627
2028	2,400	283	2,117
2029	2,400	283	2,117
2030	<u>800</u>	<u>94</u>	<u>706</u>
	<u>\$ 21,776</u>	<u>\$ 2,073</u>	<u>\$ 19,703</u>

**FAMILY TREE, INC.**  
**Notes to Consolidated Financial Statements**  
**June 30, 2025 and 2024**

**Note 15: Concentrations of Credit Risk**

Family Tree has investments in beneficial interests which are subject to market value fluctuation. Though the market values of investments are subject to fluctuation on a year-to-year basis, management and the board of directors believe the investment policy is prudent for the long-term welfare of Family Tree

Family Tree maintains its cash balances at a financial institution which at times exceeded amounts covered by insurance provided by the Federal Deposit Insurance Corporation (FDIC), up to \$250,000 per institution per account holder. Family Tree has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

Family Tree has certain concentrations in specific categories of revenues; these concentrations represent 10% or more of total revenues. If a significant reduction in the level of these revenue sources occurs, it may have an effect on Family Tree's programs and activities.

Family Tree receives certain revenues from grants with various governmental agencies. The disbursements of funds received under these grants generally requires compliance with terms and conditions specified in the contracts and is subject to audit by contracting agencies. The amount of charges to these grants that may be disallowed, if any, by such audits cannot be presently determined. However, management believes that the effect of any such audits would not have a significant impact on the consolidated financial statements; accordingly, no provision has been made in the consolidated financial statements for any liability that may result.

**Note 16: Contributions**

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

<u>Nature of Gift</u>	<u>Value Recognized</u>
<b><i>Conditional gifts, with or without restrictions:</i></b>	
Gifts that depend on Family Tree overcoming a donor -imposed barrier to barrier be entitled to the funds.	Not recognized until the gift becomes unconditional (i.e. the donor -imposed is met.)
<b><i>Unconditional gifts, with or without restrictions:</i></b>	
Received on the date of gift – cash or other Assets	Fair value
Expected to be collected within one year	Net realizable value

In addition to the amount recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method. When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Absent explicit donor stipulations

**Family Tree, Inc.**  
**Notes to Consolidated Financial Statements**  
**June 30, 2025 and 2024**

**Note 16: Contributions, continued**

for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service. Gifts and investment income having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions. Conditional grants and contributions having donor stipulations which are satisfied in the period the gift is received are recorded as revenues and net assets without donor restrictions.

**Note 17: Contributed Nonfinancial Assets**

Contributed nonfinancial assets for the years ended June 30, are as follows:

	<u>2025</u>	<u>2024</u>
Goods	\$ 491,379	\$ 228,235
Services	<u>68,496</u>	<u>74,859</u>
Total	<u>\$ 559,875</u>	<u>\$ 303,094</u>

The nonfinancial assets listed above were recognized within revenues. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions. Donated goods, including clothing, food, furnishings, etc. from various donors are recorded in the accompanying consolidated financial statements at fair value as of the date of donation. The fair value of these types of donations are estimated using market prices of comparable items. Contributions of services are recognized as revenues at their estimated fair value only when the services received create or enhance nonfinancial assets or required specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated. The fair value of these types of donations are estimated using market prices of comparable items. Contributions of buildings are valued at estimated fair rental value based upon rentals of similar real estate. In addition, Family Tree has volunteers who work one-on-one with clients, cook, clean, organize, provide administrative assistance, and participate in one-day impact opportunities to create significant improvements for clients. For the years ended June 30, 2025 and 2024, these volunteers provided 10,933 and 15,337 hours of work which is estimated at approximately \$380,359 and \$514,000, respectively. Amounts applicable to contributed hours are not reflected in the accompanying financial consolidated statements because the volunteers' time do not meet the required criteria for contributed services.

**Note 18: Lease Income**

Lease income consists of amounts received by Family Tree for renting buildings and space to non-related parties based on agreed upon lease agreements. During the fiscal years ended June 30, 2025 and 2024, total lease income totaled \$60,529 and \$64,065, respectively. Lease income is included in the statement of activities as part of operating income. Cash receipts from operating leases are classified within cash flows from operating activities Lease income from are shown below by location for the years ending June 30:

	<u>2025</u>	<u>2024</u>
Wheatridge	\$ 14,749	\$ 15,610
Aurora	<u>45,780</u>	<u>48,455</u>
Total	<u>\$ 60,529</u>	<u>\$ 64,065</u>

**Family Tree, Inc.**  
**Notes to Consolidated Financial Statements**  
**June 30, 2025 and 2024**

**Note 19: Revenue from Contracts**

Family Tree recognizes revenue in accordance with U.S. GAAP, when all of the following conditions are satisfied:

- There is persuasive evidence that an arrangement exists;
- The product has been delivered or the services performed;
- The amount of fees to be paid by members and customers are fixed or determinable;
- The collection of fees is reasonably assured.

Family Tree recognizes revenues based upon the satisfaction of the performance of services as determined in contracts. Determining whether and when these criteria have been satisfied involved exercising judgment and using estimates and assumptions that can have a significant impact on the timing and amount of revenue that Family Tree recognizes.

**Program Service Fees**

For the years ended June 30, 2025 and 2024, revenue from contracts with counties, other organizations and individuals of \$505,413 and \$613,784, respectively, has been classified as program service fees. Performance obligations are determined based on the nature of the services provided by Family Tree in accordance with the contract. Revenue is recognized as services are provided or for performance obligations satisfied over time revenue is recognized ratably over the period based on time elapsed. Family Tree believes this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation.

**Transaction Price and Recognition**

For program service fees, Family Tree determines the transaction price based on negotiated charges for services agreed upon between Family Tree and the customer. Family Tree determines the contract price based on its cost to provide the service, including overhead, adjusted for negotiated concessions which it determines based on various factors including program impacts, ability to pay and historical experience with the purchaser. The contracts are generally one year or less and do not have significant financing components. Family Tree bills the individual customers at the time of service and government or private organizations monthly, on terms set forth in the contract, after services are performed. Accounts receivable are due in full when billed.

Subsequent changes that are determined to be the result of an adverse change in the customer's ability to pay are recorded as bad debt expense. Family Tree has determined that the nature, amount, timing and uncertainty of revenue and cash flows are affected by the following factors:

- Counties, organizations and other customers that have different reimbursement and payment methodologies and varying financial capacity.

**Note 20: Retirement Plan**

Family Tree has a retirement plan (the Plan) under Internal Revenue Code Section 403(b). Employees regularly scheduled to work a minimum of 20 hours per week are eligible to participate in the Plan. The Plan allows for employees to make before-tax or after-tax Roth contributions up 100%

**FAMILY TREE, INC.**  
**Notes to Consolidated Financial Statements**  
**June 30, 2025 and 2024**

**Note 20: Retirement Plan, continued**

of their annual compensation, as limited annually by the Internal Revenue Service. All contributions to the Plan are fully vested when made. Effective April 1, 2019, Family Tree amended the Plan to include a discretionary employer match. For the years ended June 30, 2025 and 2024, Family Tree made matching contributions to the Plan of \$44,959 and \$55,124, respectively.

**Note 21: Contingencies**

As owners of the general partners of the LLLP, Family Tree and the principals of Blueline have entered into joint and several guaranties which guaranty the completion of the Project, payment of debt service, compliance with regulatory requirements, and performance of all requirements under the Project's legal documents (the Guaranties).

Family Tree's obligations under the Guaranties are limited pursuant to an agreement with Blueline (the Co-GP Agreement) which provides that in the event that payment is required under the terms of any Guaranty, except in the event that the payment is a result of Family Tree's gross negligence or gross malfeasance, the Blueline principals will pay 100% of the obligation under the guaranty and 25% of such payment will be considered a loan from the Blueline principals to be repaid solely through priority payments from cash flow of the LLLP.

**Note 22: Reclassifications**

Certain reclassifications have been made to the June 30, 2024 consolidated financial statement presentation to correspond to the current year's format. Total change in net assets is unchanged due to these reclassifications.

**Note 23: Subsequent Events**

Family Tree has evaluated subsequent events and transactions for potential recognition or disclosure through the date at which the consolidated financial statements were available to be issued, which is the date of the independent auditors' report, and noted no subsequent event that requires disclosure.

## **Supplementary Information**

**Family Tree, Inc.**  
**Consolidating Statement of Financial Position**  
**June 30, 2025**

	<i>Family Tree, Inc.</i>	<i>Family Tree GP, LLC</i>	<i>Eliminations</i>	<i>Consolidated</i>
<b><u>ASSETS</u></b>				
Current assets:				
Cash and cash equivalents	\$ 1,429,997	\$ -	\$ -	\$ 1,429,997
Restricted cash	81,185	-	-	81,185
Money market funds	1,285,566	-	-	1,285,566
Accounts receivable	1,899,548	-	-	1,899,548
Due from Family Tree, Inc.	-	1,261,700	(1,261,700)	-
Prepays	41,936	-	-	41,936
Right of use asset- operating, current portion	9,136	-	-	9,136
Investments	1,369,990	-	-	1,369,990
<b>Total current assets</b>	<b><u>6,117,358</u></b>	<b><u>1,261,700</u></b>	<b><u>(1,261,700)</u></b>	<b><u>6,117,358</u></b>
Land	534,633	-	-	534,633
Donated building, net	2,351,815	-	-	2,351,815
Right-of-use assets-operating, net of amortization and net of current portion	10,567	-	-	10,567
Property and equipment, net	5,515,767	-	-	5,515,767
Other assets:				
Note receivable from LLLP, net of allowance	952,482	-	-	952,482
Lease receivable - ground lease, net of allowance	276,527	-	-	276,527
Beneficial interest in Colorado Gives Foundation	298,785	-	-	298,785
Investment in Family Tree GP, LLC	1,261,735	-	(1,261,735)	-
Investment in Marshall Homes Development, LLC	1,609,865	-	-	1,609,865
Investment in Marshall Homes, LLLP	-	1,261,600	-	1,261,600
<b>Total other assets</b>	<b><u>12,812,176</u></b>	<b><u>1,261,600</u></b>	<b><u>(1,261,735)</u></b>	<b><u>12,812,041</u></b>
<b>Total long-term assets</b>	<b><u>12,812,176</u></b>	<b><u>1,261,600</u></b>	<b><u>(1,261,735)</u></b>	<b><u>12,812,041</u></b>
<b>Total assets</b>	<b><u>\$ 18,929,534</u></b>	<b><u>\$ 2,523,300</u></b>	<b><u>\$ (2,523,435)</u></b>	<b><u>\$ 18,929,399</u></b>

See accompanying report of independent auditors.



**Family Tree, Inc.**  
**Consolidating Statement of Financial Position (continued)**  
**For the year ended June 30, 3025**

	<i>Family Tree, Inc.</i>	<i>Family Tree GP, LLC</i>	<i>Eliminations</i>	<i>Consolidated</i>
<b><u>LIABILITIES AND NET ASSETS</u></b>				
Liabilities:				
Accounts payable	\$ 182,815	\$ -	\$ -	\$ 182,815
Accrued expenses and other liabilities	374,092	-	-	374,092
Deferred revenue	514,094	-	-	514,094
Due to Marshall Homes, LLLP	-	1,261,600	-	1,261,600
Due to Family Tree GP, LLC	1,261,700	-	(1,261,700)	-
Current portion of lease liability-operating leases	9,136	-	-	9,136
Current portion of note payable, net of issuance costs	<u>28,754</u>	<u>-</u>	<u>-</u>	<u>28,754</u>
<b>Total current liabilities</b>	<b><u>2,370,591</u></b>	<b><u>1,261,600</u></b>	<b><u>(1,261,700)</u></b>	<b><u>2,370,491</u></b>
Non-current liabilities:				
Deferred lease revenue	1,253,749	-	-	1,253,749
Long-term portion of lease liability-operating leases	10,567	-	-	10,567
Note payable, net of issuance costs	<u>251,492</u>	<u>-</u>	<u>-</u>	<u>251,492</u>
<b>Total non-current liabilities</b>	<b><u>1,515,808</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>1,515,808</u></b>
<b>Total liabilities</b>	<b><u>3,886,399</u></b>	<b><u>1,261,600</u></b>	<b><u>(1,261,700)</u></b>	<b><u>3,886,299</u></b>
Net assets:				
Without donor restrictions:				
Undesignated	11,858,165	(35)	-	11,858,130
Designated by board for strategic investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total without donor restrictions	<u>11,858,165</u>	<u>(35)</u>	<u>-</u>	<u>11,858,130</u>
With donor restrictions:				
Perpetual in nature	174,917	-	-	174,917
Time restricted for future periods	2,674,815	-	-	2,674,815
Purpose restrictions	<u>335,238</u>	<u>-</u>	<u>-</u>	<u>335,238</u>
Total with donor restrictions	<u>3,184,970</u>	<u>-</u>	<u>-</u>	<u>3,184,970</u>
Net assets with controlling interest:				
Member's equity - Family Tree, Inc.	<u>-</u>	<u>1,261,735</u>	<u>(1,261,735)</u>	<u>-</u>
Total net assets with controlling interest	<u>-</u>	<u>1,261,735</u>	<u>(1,261,735)</u>	<u>-</u>
<b>Total net assets</b>	<b><u>15,043,135</u></b>	<b><u>1,261,700</u></b>	<b><u>(1,261,735)</u></b>	<b><u>15,043,100</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 18,929,534</u></b>	<b><u>\$ 2,523,300</u></b>	<b><u>\$ (2,523,435)</u></b>	<b><u>\$ 18,929,399</u></b>

See accompanying report of independent auditors.

**Family Tree, Inc.**  
**Consolidating Statement of Financial Position**  
**June 30, 2024**

	<i>Family Tree, Inc.</i>	<i>Family Tree GP, LLC</i>	<i>Eliminations</i>	<i>Consolidated</i>
<b><u>ASSETS</u></b>				
Current assets:				
Cash and cash equivalents	\$ 914,320	\$ -	\$ -	\$ 914,320
Restricted cash	79,166	-	-	79,166
Money market funds	1,229,994	-	-	1,229,994
Accounts receivable	2,176,946	-	-	2,176,946
Due from Family Tree, Inc.	-	265,700	(265,700)	-
Prepays	71,814	-	-	71,814
Right of use asset- operating, current portion	7,584	-	-	7,584
Investments	1,242,331	-	-	1,242,331
<b>Total current assets</b>	<b><u>5,722,155</u></b>	<b><u>265,700</u></b>	<b><u>(265,700)</u></b>	<b><u>5,722,155</u></b>
Land	534,633	-	-	534,633
Donated building, net	2,422,369	-	-	2,422,369
Property and equipment, net	4,937,133	-	-	4,937,133
Right-of-use assets-operating, net of amortization and net of current portion	9,963	-	-	9,963
Other assets:				
Note receivable from LLLP, net of allowance	900,339	-	-	900,339
Lease receivable - ground lease, net of allowance	276,527	-	-	276,527
Beneficial interest in Colorado Gives Foundation	274,750	-	-	274,750
Investment in Family Tree GP, LLC	265,710	-	(265,710)	-
Investment in Marshall Homes Development, LLC	220,776	-	-	220,776
Investment in Marshall Homes, LLLP	-	265,600	-	265,600
<b>Total other assets</b>	<b><u>9,842,200</u></b>	<b><u>265,600</u></b>	<b><u>(265,710)</u></b>	<b><u>9,842,090</u></b>
<b>Total long-term assets</b>	<b><u>9,842,200</u></b>	<b><u>265,600</u></b>	<b><u>(265,710)</u></b>	<b><u>9,842,090</u></b>
<b>Total assets</b>	<b><u>\$ 15,564,355</u></b>	<b><u>\$ 531,300</u></b>	<b><u>\$ (531,410)</u></b>	<b><u>\$ 15,564,245</u></b>

See accompanying report of independent auditors.

**Family Tree, Inc.**  
**Consolidating Statement of Financial Position (continued)**  
**For the year ended June 30, 3024**

	<i>Family Tree, Inc.</i>	<i>Family Tree GP, LLC</i>	<i>Eliminations</i>	<i>Consolidated</i>
<b><u>LIABILITIES AND NET ASSETS</u></b>				
Liabilities:				
Accounts payable	\$ 254,056	\$ -	\$ -	\$ 254,056
Accrued expenses and other liabilities	483,361	-	-	483,361
Deferred revenue	466,972	-	-	466,972
Due to Marshall Homes, LLLP	-	265,600	-	265,600
Due to Family Tree GP, LLC	265,700	-	(265,700)	-
Current portion of lease liability-operating leases	7,584	-	-	7,584
Current portion of note payable, net of issuance costs	27,540	-	-	27,540
<b>Total current liabilities</b>	<b><u>1,505,213</u></b>	<b><u>265,600</u></b>	<b><u>(265,700)</u></b>	<b><u>1,505,113</u></b>
Non-current liabilities:				
Deferred lease revenue	1,266,665	-	-	1,266,665
Long-term portion of lease liability-operating leases	9,963	-	-	9,963
Note payable, net of issuance costs	279,863	-	-	279,863
<b>Total non-current liabilities</b>	<b><u>1,556,491</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>1,556,491</u></b>
<b>Total liabilities</b>	<b><u>3,061,704</u></b>	<b><u>265,600</u></b>	<b><u>(265,700)</u></b>	<b><u>3,061,604</u></b>
Net assets:				
Without donor restrictions:				
Undesignated	9,291,592	(10)	-	9,291,582
Designated by board for strategic investments	187,245	-	-	187,245
Total without donor restrictions	9,478,837	(10)	-	9,478,827
With donor restrictions:				
Perpetual in nature	174,917	-	-	174,917
Time restricted for future periods	2,422,369	-	-	2,422,369
Purpose restrictions	426,528	-	-	426,528
Total with donor restrictions	3,023,814	-	-	3,023,814
Net assets with controlling interest:				
Member's equity - Family Tree, Inc.	-	265,710	(265,710)	-
Total net assets with controlling interest	-	265,710	(265,710)	-
<b>Total net assets</b>	<b><u>12,502,651</u></b>	<b><u>265,700</u></b>	<b><u>(265,710)</u></b>	<b><u>12,502,641</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 15,564,355</u></b>	<b><u>\$ 531,300</u></b>	<b><u>\$ (531,410)</u></b>	<b><u>\$ 15,564,245</u></b>

See accompanying report of independent auditors.

**Family Tree, Inc.**  
**Consolidating Statement of Activities**  
**For the year ended June 30, 2025**

	<i>Family Tree, Inc.</i>	<i>Family Tree GP, LLC</i>	<i>Eliminations</i>	<i>Consolidated</i>
<b>Revenue and support:</b>				
Contributed support:				
Federal government grants	\$ 4,130,210	\$ -	\$ -	\$ 4,130,210
Other government grants	1,816,676	-	-	1,816,676
Program service fees	1,624,414	-	-	1,624,414
Foundation grants	1,016,807	-	-	1,016,807
Corporations and individual contributions	773,666	-	-	773,666
Development fee income	597,188	-	-	597,188
Contributed nonfinancial assets	559,875	-	-	559,875
Special events, net	108,013	-	-	108,013
Other income	11,619	-	-	11,619
	<u>10,638,468</u>	<u>-</u>	<u>-</u>	<u>10,638,468</u>
Net assets released from restrictions	-	-	-	-
<b>Total contributed support</b>	<u><b>10,638,468</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>10,638,468</b></u>
Revenues from contracts:				
Earned revenues from program services	505,413	-	-	505,413
<b>Total revenues from contracts</b>	<u><b>505,413</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>505,413</b></u>
<b>Lease income</b>	<u><b>60,529</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>60,529</b></u>
<b>Total revenues</b>	<u><b>11,204,410</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>11,204,410</b></u>
<b>Functional expenses:</b>				
Program services	8,908,854	-	-	8,908,854
General and administration	970,716	25	-	970,741
Fund development	547,632	-	-	547,632
<b>Total functional expenses</b>	<u><b>10,427,202</b></u>	<u><b>25</b></u>	<u><b>-</b></u>	<u><b>10,427,227</b></u>
<b>Change in net assets from operating activities</b>	<u><b>777,208</b></u>	<u><b>(25)</b></u>	<u><b>-</b></u>	<u><b>777,183</b></u>
<b>Non-operating income (expense):</b>				
Development fee income-nonoperating	996,000	-	-	996,000
Capital grant income	768,147	-	-	768,147
Net capitalized lease income from the Project	12,915	-	-	12,915
Grant revenue for the Project	52,144	-	-	52,144
Investment return	182,600	-	-	182,600
Change in beneficial interest	24,035	-	-	24,035
Depreciation	(248,956)	-	-	(248,956)
Depreciation on donated building	(70,554)	-	-	(70,554)
Gain on sale of assets	7,842	-	-	7,842
Interest income	50,486	-	-	50,486
Interest expense	(11,383)	-	-	(11,383)
<b>Total non-operating income</b>	<u><b>1,763,276</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>1,763,276</b></u>
<b>Change in net assets</b>	<u><b>2,540,484</b></u>	<u><b>(25)</b></u>	<u><b>-</b></u>	<u><b>2,540,459</b></u>
Net assets at beginning of year	12,502,651	(10)	-	12,502,641
<b>Net assets at end of year</b>	<u><b>\$ 15,043,135</b></u>	<u><b>\$ (35)</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 15,043,100</b></u>

See accompanying report of independent auditors.

**Family Tree, Inc.**  
**Consolidating Statement of Activities**  
**For the year ended June 30, 2024**

	<u><i>Family Tree, Inc.</i></u>	<u><i>Family Tree GP, LLC</i></u>	<u><i>Eliminations</i></u>	<u><i>Consolidated</i></u>
<b>Revenue and support:</b>				
Contributed support:				
Federal government grants	\$ 3,701,096	\$ -	\$ -	\$ 3,701,096
Program service fees	1,855,461	-	-	1,855,461
Other government grants	1,838,211	-	-	1,838,211
Corporations and individual contributions	783,576	-	-	783,576
Foundation grants	675,863	-	-	675,863
Development fee income	159,250	-	-	159,250
Contributed nonfinancial assets	303,094	-	-	303,094
Special events, net	136,242	-	-	136,242
Other income	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
	9,472,793	-	-	9,472,793
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total contributed support</b>	<b><u>9,472,793</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>9,472,793</u></b>
Revenues from contracts:				
Earned revenues from program services	<u>613,784</u>	<u>-</u>	<u>-</u>	<u>613,784</u>
<b>Total revenues from contracts</b>	<b><u>613,784</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>613,784</u></b>
<b>Lease income</b>	<b><u>64,065</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>64,065</u></b>
<b>Total revenues</b>	<b><u>10,150,642</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>10,150,642</u></b>
<b>Functional expenses:</b>				
Program services	8,723,155	-	-	8,723,155
General and administration	941,745	10	-	941,745
Fund development	<u>609,534</u>	<u>-</u>	<u>-</u>	<u>609,534</u>
<b>Total functional expenses</b>	<b><u>10,274,434</u></b>	<b><u>10</u></b>	<b><u>-</u></b>	<b><u>10,274,434</u></b>
<b>Change in net assets from operating activities</b>	<b><u>(123,792)</u></b>	<b><u>(10)</u></b>	<b><u>-</u></b>	<b><u>(123,792)</u></b>
<b>Non-operating income (expense):</b>				
Development fee income-nonoperating	265,600	-	-	265,600
Capital grant income	1,141,010	-	-	1,141,010
Net capitalized lease income from the Project	9,862	-	-	9,862
Grant revenue for the Project	900,339	-	-	900,339
Investment return	130,659	-	-	130,659
Change in beneficial interest	21,734	-	-	21,734
Depreciation	(209,442)	-	-	(209,442)
Depreciation on donated building	(70,580)	-	-	(70,580)
Interest income	46,372	-	-	46,372
Interest expense	<u>(12,410)</u>	<u>-</u>	<u>-</u>	<u>(12,410)</u>
<b>Total non-operating income</b>	<b><u>2,223,144</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>2,223,144</u></b>
<b>Change in net assets</b>	<b><u>2,099,352</u></b>	<b><u>(10)</u></b>	<b><u>-</u></b>	<b><u>2,099,352</u></b>
Net assets at beginning of year	<u>10,403,289</u>	<u>-</u>	<u>-</u>	<u>10,403,289</u>
<b>Net assets at end of year</b>	<b>\$ <u>12,502,641</u></b>	<b>\$ <u>(10)</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>12,502,641</u></b>

See accompanying report of independent auditors.

**FAMILY TREE, INC.**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2025**

<u>Federal grantor/pass-through grantor/program or cluster title</u>	<u>Assistance listing number</u>	<u>Pass-through entity ID No./grant ID</u>	<u>Total federal expenditures</u>
<b>U.S. Department of Housing and Urban Development</b>			
Direct:			
Continuum of Care - Supportive Housing Program	14.267	CO0052L8T032316	\$ 539,235
Continuum of Care - Supportive Housing Program	14.267	CO0052L8T032417	352,245
Continuum of Care - Supportive Housing Program	14.267	CO0133L8T032005	(41,899)
Continuum of Care - Supportive Housing Program	14.267	CO0133L8T032207	40,215
Continuum of Care - Supportive Housing Program	14.267	CO0210L8T032300	55,141
Youth Homelessness Demonstration Program	14.276	CO0220Y8T032200	119,870
Passed through:			
Volunteers of America Colorado Branch			
Continuum of Care - Youth Transition Project	14.267	CO0059L8T031913	238,921
Continuum of Care - Youth Transition Project	14.267	CO0059L8T032417	86,992
Colorado Coalition for the Homeless			
Continuum of Care - Rapid Rehousing Program	14.267	CO0165L8T032304	54,586
Continuum of Care - Rapid Rehousing Program	14.267	CO0165L8T032405	17,100
Colorado Department of Local Affairs			
Continuum of Care - Permanent Supportive Housing Program	14.267	H4COC33576	16,706
Continuum of Care - Permanent Supportive Housing Program	14.267	H5COC34396	206,053
CDBG Entitlement Grants Cluster:			
Passed through:			
Arapahoe County			
Community Development Block Grant	14.218	ENPS2406	22,066
City of Arvada			
Community Development Block Grant	14.218	B-24-MC-08-0001	16,042
Total CDBG Entitlement Grants Cluster			<u>38,108</u>
Passed through:			
Enterprise Community Partners, Inc.			
Capacity Building for Community Development and Affordable Housing Grant	14.252	23SG2813	9,830
Jefferson County			
Home Investment Partnerships Program - Marshall Homes	14.239	ARP-M21-DP080212	25,136
<b>Total U.S. Department of Housing and Urban Development</b>			<u><b>1,758,239</b></u>
<b>U.S. Department of Justice</b>			
Passed through:			
Adams County			
	16.753	15PVOC-22-GG-00668-BRND	87,033
Byrne Justice Assistance Grants			
Colorado Department of Public Safety, Division of Criminal Justice			
Violence Against Women Act Program	16.588	2024-VW-25-436-01	147,011
<b>Total U.S. Department of Justice</b>			<u><b>234,044</b></u>
<b>U.S. Department of Health and Human Services</b>			
Passed through:			
Adams County			
Temporary Assistance for Needy Families	93.558	2023.445	77,670
Temporary Assistance for Needy Families	93.558	2024.447	427,281
Temporary Assistance for Needy Families	93.558	2024.413	252,518
Temporary Assistance for Needy Families	93.558	2025.459	68,130
Temporary Assistance for Needy Families	93.558	2024.415	322,782
Temporary Assistance for Needy Families	93.558	2024.460	43,695
Community Services Block Grant	93.569		57,831
Colorado Department of Human Services			
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services (COVID)	93.497	FAIN 2201COFSC6	3,000
Temporary Assistance for Needy Families	93.558	24 IHFA 189132	17,069
Temporary Assistance for Needy Families	93.558	25 IHFA 192865	17,072
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	24 IHFA 189132	38,654
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services (ARPA)	93.671	25 IHFA 192865	12,251
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	25 IHFA 192865	63,689
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services (COVID)	93.671	23 IHFA COVID 24	8,180
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services (COVID)	93.497	IHFA, 202500000213	32,688
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	FAIN 2201COFTC6	10,000
Douglas County			
Stephanie Tubbs Jones Child Welfare Services Program	93.645		158,335
<b>Total U.S. Department of Health and Human Services</b>			<u><b>1,610,845</b></u>
<b>U.S. Department of Treasury: American Rescue Plan Act Funds</b>			
Passed through:			
Jefferson County			
Emergency Rental Assistance Program	21.023		100,187
Adams County			
Coronavirus State and Local Fiscal Recovery Funds	21.027	ARPA 24-13	23,575
City of Arvada			
Coronavirus State and Local Fiscal Recovery Funds	21.027	24-CED-032	42,950
City of Aurora			
Coronavirus State and Local Fiscal Recovery Funds	21.027		87,689
Colorado Department of Public Safety, Division of Criminal Justice			
Coronavirus State and Local Fiscal Recovery Funds	21.027	2022-AR-23-126-01	272,681
<b>U.S. Department of Treasury: Total American Rescue Plan Act Funds</b>			<u><b>527,082</b></u>
<b>Total Expenditures of Federal Awards</b>			<u><b>\$ 4,130,210</b></u>

*See the accompanying independent auditors' report and notes to the schedule of expenditures of federal awards.*

**FAMILY TREE, INC.**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2025**

**Note 1:**     **Basis of Presentation**

The accompanying schedule of federal expenditures of federal awards (the Schedule) includes the federal grant activity of Family Tree, Inc., and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Because the Schedule presents only a selected portion of the operations of Family Tree, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Family Tree, Inc.

**Note 2:**     **Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, where in certain types of expenditures are not allowable or limited to reimbursement.

Family Tree, Inc. has elected to not use the 10% de minimis cost rate as covered in the Uniform Guidance 2 CFR section 200.414 Indirect Costs.



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

Board of Directors  
Family Tree, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the consolidated financial statements of Family Tree, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 19, 2025.

**Report on Internal Control over Financial Reporting**

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

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

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

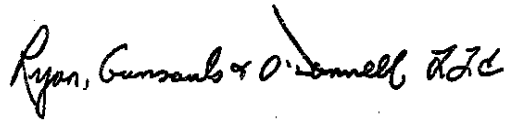
**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Family Tree, Inc.'s consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



### **Purpose of This Report**

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

A handwritten signature in black ink, reading "Ryan, Gursauls & O'Donnell, P.C." in a cursive script.

Denver, Colorado  
December 19, 2025



## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors  
Family Tree, Inc.

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited Family Tree, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Family Tree, Inc.'s major federal programs for the year ended June 30, 2025. Family Tree, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Family Tree, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

#### ***Basis for Opinion on Each Major Federal Program***

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

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

#### ***Responsibilities of Management for Compliance***

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

#### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Family Tree, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform

Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Family Tree, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Family Tree, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Family Tree, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Family Tree, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

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

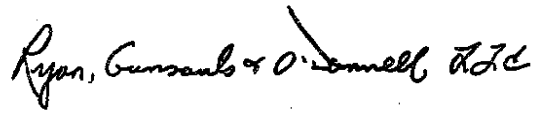
### **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

A handwritten signature in black ink, reading "Ryan, Gunsauls & O'Donnell, LLC". The signature is written in a cursive, flowing style.

Denver, Colorado  
December 19, 2025

**FAMILY TREE, INC.**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2025**

**Section I – Summary of Auditors’ Results:**

**Financial statements:**

- Type of auditors’ report issued: Unmodified
- Internal control over financial reporting:
  - Significant deficiency(ies) identified None reported
  - Material weakness(es) identified? No
- Noncompliance material to financial statements noted? No

**Federal awards:**

- Internal control over major program:
  - Significant deficiency(ies) identified None reported
  - Material weakness(es) identified? No
- Type of auditors’ report issued on compliance for major program Unmodified
- Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance, 2 CFR section 200.516(a) No

- Identification of major program:

Assistance Listing Number  
 14.267

Name of Federal Program or Cluster  
 U.S. Department of Housing and Urban  
 Development – Continuum of Care

- Dollar threshold used to distinguish between type A and type B programs: \$750,000
- Auditee qualified as low-risk auditee? Yes

**Section II – Financial Statement Findings:**

None noted in current year audit.

**Section III – Federal Award Findings and Questioned Costs:**

None noted in current year audit.

**FAMILY TREE, INC.**  
**Summary Schedule of Prior Audit Findings**  
**For the Year Ended June 30, 2025**

There were no findings from the prior year that require an update in this report.