

Financial Statements and  
Independent Auditor's Report

**Foothills Gateway, Inc.**

June 30, 2025

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Foothills Gateway, Inc.

### Opinion

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Foothills Gateway, Inc. as of June 30, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of FGI and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

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

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

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

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

## **Report on Summarized Comparative Information**

We have previously audited FGI's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 14, 2025. 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 financial statements from which it has been derived.

*Logan, Thomas & Johnson, LLC*

Castle Rock, Colorado

October 30, 2025

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## *Financial Statements*

Foothills Gateway, Inc.  
STATEMENT OF FINANCIAL POSITION  
June 30, 2025  
(With summarized financial information as of June 30, 2024)

	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,575,111	\$ 1,784,640
Investments	4,348,065	3,695,781
Accounts receivable		
Fees and grants from governmental agencies, net of allowance for credit losses of \$0	4,553,477	4,421,316
Other, net of allowance for credit losses of \$0	107,588	116,073
Prepaid expenses and other	225,414	212,650
Total current assets	10,809,655	10,230,460
Investments	4,276,761	4,083,463
Land, building and equipment, net	780,623	587,466
Total assets	\$ 15,867,039	\$ 14,901,389
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 1,886,920	\$ 1,596,428
Total current liabilities	1,886,920	1,596,428
Net assets		
Without donor restrictions		
Designated memorial funds	101,813	122,371
Designated for capital repair and non billable services	590,816	145,248
Designated for conflict free case management project	-	1,975,555
Designated CMA IDD and EI needs	2,403,737	-
Designated CMA non-IDD reserves	2,360,710	1,352,839
Designated for operating expenses	5,689,478	5,000,544
Net investment in land, building and equipment	780,623	587,466
Undesignated	1,980,225	4,044,463
Total without donor restrictions	13,907,402	13,228,486
With donor restrictions - purpose restrictions	72,717	76,475
Total net assets	13,980,119	13,304,961
Total liabilities and net assets	\$ 15,867,039	\$ 14,901,389

The accompanying notes are an integral part of this statement.

Foothills Gateway, Inc.  
STATEMENT OF ACTIVITIES  
Year ended June 30, 2025

(With summarized financial information for the year ended June 30, 2024)

	Without donor restrictions	With donor restrictions	Total	
			2025	2024
Revenues and support				
Fees and grants from governmental agencies				
Fees for services				
State of Colorado				
State General Fund	\$ 6,849,879	\$ -	\$ 6,849,879	\$ 5,364,460
Medicaid	7,310,952	-	7,310,952	4,392,090
Larimer County	6,474,537	-	6,474,537	6,462,866
Grants and other				
Part C	-	-	-	591,101
U.S. Department of Housing and Urban Development	41,869	-	41,869	45,671
Colorado Division of Vocational Rehabilitation	53,896	-	53,896	39,683
Colorado Department of Health Care Policy and Financing ARPA	-	-	-	393,741
Colorado Department of Health Care Policy and Financing Other	-	-	-	1,533,629
Other	7,512	-	7,512	-
Total fees and grants from governmental agencies	20,738,645	-	20,738,645	18,823,241
Public support				
Contributions	197,532	56,112	253,644	158,852
Other revenue	949,414	-	949,414	1,170,024
Net assets released from restrictions				
Satisfaction of program restrictions	59,870	(59,870)	-	-
Total revenues and support	21,945,461	(3,758)	21,941,703	20,152,117

(Continued)

The accompanying notes are an integral part of this statement.

Foothills Gateway, Inc.  
STATEMENT OF ACTIVITIES (CONTINUED)  
Year ended June 30, 2025  
(With summarized financial information for the year ended June 30, 2024)

	Without donor restrictions	With donor restrictions	Total	
			2025	2024
Expenses				
Program services				
Adult day programs and supports	\$ 1,339,077	\$ -	\$ 1,339,077	\$ 664,247
Job development & placement services	449,270	-	449,270	457,287
Respite house	452,001	-	452,001	473,185
Transportation	708,150	-	708,150	717,594
Children & family services	3,810,850	-	3,810,850	3,574,591
Case management	11,373,065	-	11,373,065	7,520,254
Behavioral health	323,708	-	323,708	271,572
Housing	62,928	-	62,928	77,153
Organized health care delivery system	294,741	-	294,741	319,590
Total program services	18,813,790	-	18,813,790	14,075,473
Supporting services				
Management and general	2,438,019	-	2,438,019	2,189,575
Fundraising	14,736	-	14,736	15,291
Total expenses	21,266,545	-	21,266,545	16,280,339
CHANGE IN NET ASSETS FROM CONTINUING OPERATIONS	678,916	(3,758)	675,158	3,871,778
Loss from discontinued operations	-	-	-	(1,095,183)
CHANGE IN NET ASSETS	678,916	(3,758)	675,158	2,776,595
Net assets, beginning of year	13,228,486	76,475	13,304,961	10,528,366
Net assets, end of year	<u>\$ 13,907,402</u>	<u>\$ 72,717</u>	<u>\$ 13,980,119</u>	<u>\$ 13,304,961</u>

The accompanying notes are an integral part of this statement.

Foothills Gateway, Inc.  
STATEMENT OF FUNCTIONAL EXPENSES  
Year ended June 30, 2025  
(With summarized financial information for the year ended June 30, 2024)

	<b>Program Services</b>				
	Adult day programs and supports	Job development & placement services	Respite house	Transport- ation	Children & family services
Expenses					
Salaries, benefits and taxes	\$ 616	\$ 364,861	\$ 360,291	\$ 480,471	\$ 162,595
Professional services	-	2,828	3,830	4,799	3
Staff development and travel	148	2,802	2,611	2,137	1,855
Vehicles	-	5,291	1,164	50,700	16
Occupancy and equipment	29,830	41,249	31,934	38,468	4,019
Individuals in service - assistance and activities	819,301	14	14,352	26,948	3,639,635
Insurance	9,449	11,073	3,758	58,429	827
Other	452,781	5,378	27,971	6,533	1,297
Depreciation	26,952	15,774	6,090	39,665	603
 Total expenses	 <u>\$ 1,339,077</u>	 <u>\$ 449,270</u>	 <u>\$ 452,001</u>	 <u>\$ 708,150</u>	 <u>\$ 3,810,850</u>

The accompanying notes are an integral part of this statement.

**Program Services**

Case manage- ment	Behavioral health	Housing	Organized health care delivery system	Management and general	Fund- raising	Total	
						2025	2024
\$ 10,573,783	\$ 163,242	\$ 51,359	\$ 505	\$ 2,004,103	\$ 6,942	\$ 14,168,768	\$ 10,341,961
17,192	8,145	9	1	105,451	-	142,258	155,011
93,129	472	735	-	36,529	-	140,418	80,044
3,865	432	17	4	973	-	62,462	93,154
302,842	19,030	4,075	623	126,049	369	598,488	426,473
123,068	121,229	49	293,030	-	-	5,037,626	4,512,190
57,802	3,014	1,573	73	25,675	-	171,673	139,321
141,758	1,712	3,645	405	110,774	7,425	759,679	368,520
59,626	6,432	1,466	100	28,465	-	185,173	163,665
<u>\$ 11,373,065</u>	<u>\$ 323,708</u>	<u>\$ 62,928</u>	<u>\$ 294,741</u>	<u>\$ 2,438,019</u>	<u>\$ 14,736</u>	<u>\$ 21,266,545</u>	<u>\$ 16,280,339</u>

The accompanying notes are an integral part of this statement.

Foothills Gateway, Inc.  
STATEMENT OF CASH FLOWS  
Year ended June 30, 2025  
(With summarized financial information for the year ended June 30, 2024)

	2025	2024
Cash flows from operating activities		
Change in net assets	\$ 675,158	\$ 2,776,595
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	185,173	258,082
Realized/unrealized gain on investments	(386,918)	(367,768)
(Gain)/loss on sale of fixed assets	4,872	(264,379)
Change in assets and liabilities		
Increase in accounts receivable	(123,676)	(1,044,938)
Increase in prepaid expenses and other	(12,764)	(96,568)
Increase (decrease) in accounts payable and accrued expenses	290,492	(30,522)
Net cash provided by operating activities	632,337	1,230,502
Cash flows from investing activities		
Purchase of land, building and equipment	(388,452)	(42,831)
Proceeds from sale of fixed assets	5,250	264,753
Purchases of investments	(3,254,753)	(4,111,448)
Proceeds from sale of investments	2,796,089	1,641,286
Net cash used in investing activities	(841,866)	(2,248,240)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(209,529)	(1,017,738)
Cash and cash equivalents, beginning of year	1,784,640	2,802,378
Cash and cash equivalents, end of year	\$ 1,575,111	\$ 1,784,640

The accompanying notes are an integral part of this statement.

Foothills Gateway, Inc.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025

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

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

1. *Summary of Business Activities*

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

2. *Description of Services Provided*

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

**Program Services or Supports**

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

Job Development & Placement Services are services provided to individuals to assist in obtaining and maintaining employment. FGI works with the Division of Vocational Rehabilitation (DVR) to assist adults with Intellectual and Developmental Disabilities (IDD) and other abilities in their job search endeavors.

Foothills Gateway, Inc.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025

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

2. *Description of Services Provided (Continued)*

**Program Services or Supports (Continued)**

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

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

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

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

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

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

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

Foothills Gateway, Inc.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025

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

2. *Description of Services Provided (Continued)*

**Supporting Services**

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

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

3. *Basis of Accounting*

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

4. *Use of Estimates*

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

5. *Subsequent Events*

FGI has evaluated events and transactions occurring subsequent to the end of the fiscal year for potential recognition or disclosure through October 20, 2025, the date on which the financial statements were issued. FGI did not identify any events or transactions that would have a material impact on the financial statements.

6. *Cash and Cash Equivalents*

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

Foothills Gateway, Inc.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025

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

7. *Accounts Receivable*

The majority of FGI's accounts receivable are due from the State of Colorado. Accounts receivable are due according to contractual terms and are stated at the amount management expects to collect from outstanding balances. FGI has tracked historical loss information for its accounts receivable. FGI has determined that the current and reasonable and supportable forecasted economic conditions are consistent with the economic conditions included in the historical information. As a result, the historical loss rates have been adjusted for differences in current conditions or forecasted changes. Accordingly, FGI believes all receivables are collectible and that no allowance for credit loss is necessary as of June 30, 2025. FGI writes off accounts receivable to bad debt expense after reasonable collection efforts have been made. Payments subsequently received on such receivables, if any, are recorded as other revenue.

8. *Investments*

FGI records investments in equity and debt securities at fair value in the statement of financial position as determined by quoted market prices. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

9. *Land, Building and Equipment*

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

	<u>Years</u>
Buildings and improvements	10–50
Program and administrative equipment	3–10

10. *Revenue Recognition*

Revenue is reported at the amount that reflects the consideration to which FGI expects to be entitled in exchange for providing services. Program revenue consists primarily of funds received from the State of Colorado for Medicaid and other services, proceeds from mill levies in Larimer County, miscellaneous smaller grants and awards from

Foothills Gateway, Inc.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025

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

10. *Revenue Recognition (Continued)*

federal, state, county and municipal sources. Billings for services are billed after the services are performed. As performance obligations are satisfied, revenue is recognized.

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

11. *Accounting for Contributions*

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

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

12. *Income Taxes*

FGI is operated as a nonprofit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. FGI recognizes tax liabilities when, despite FGI's belief that its tax return positions are supportable, FGI believes that certain positions may not be fully sustained upon review by tax authorities. Benefits from tax positions are measured at the largest amount of benefit that is greater than fifty percent likely of being realized upon settlement. FGI has concluded there is no tax liability or benefit required to be recorded as of June 30, 2025. FGI is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress for any tax periods. FGI believes it is no longer subject to income tax examinations for the years prior to the year ended June 30, 2022.

Foothills Gateway, Inc.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025

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

13. *Functional Allocation of Expenses*

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

14. *Fair Value Measurements*

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

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

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

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

Fair value estimates are made at a specific point in time, based on available market information and judgments about the financial asset, including estimates of timing, amount of expected future cash flows, and the credit standing of the issuer. In some

Foothills Gateway, Inc.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025

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

14. *Fair Value Measurements (Continued)*

cases, the fair value estimates cannot be substantiated by comparison to independent markets. In addition, the disclosed fair value may not be realized in the immediate settlement of the financial asset. The disclosed fair values do not reflect any premium or discount that could result from offering for sale at one time an entire holding of a particular financial asset. Potential taxes and other expenses that would be incurred in an actual sale or settlement are not reflected in amounts disclosed.

15. *Prior Year Summarized Information*

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with FGI's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

NOTE B – LIQUIDITY AND AVAILABILITY

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

Cash and cash equivalents	\$ 1,575,111
Investments	4,348,065
Accounts receivable	<u>4,661,065</u>
	\$ <u>10,584,241</u>

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

Foothills Gateway, Inc.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025

NOTE C – INVESTMENTS

The following table presents FGI's investments and the fair value hierarchy for those assets measured at fair value as of June 30, 2025:

	<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial assets:				
Equity income securities:				
Domestic	\$ 1,880,306	\$ 1,880,306	\$ -	\$ -
International	85,919	85,919	-	-
Mutual funds:				
Domestic	98,575	98,575	-	-
International	364,372	364,372	-	-
Alternative	791,892	791,892	-	-
U.S. Government agency securities	1,687,490	-	1,687,490	-
Corporate bonds	<u>3,716,272</u>	<u>-</u>	<u>3,716,272</u>	<u>-</u>
	<u>\$ 8,624,826</u>	<u>\$ 3,221,064</u>	<u>\$ 5,403,762</u>	<u>\$ -</u>

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

Current investments	\$ 4,348,065
Noncurrent investments	<u>4,276,761</u>
Total investments	\$ <u>8,624,826</u>

Investment return for the year ended June 30, 2025, consists of the following:

Investment income	\$ 245,823
Unrealized gain on investments	347,283
Realized gain on investments	<u>39,635</u>
	\$ <u>632,741</u>

NOTE D – LAND, BUILDING AND EQUIPMENT

Land, building and equipment consist of the following at June 30, 2025:

Buildings and improvements	\$ 6,449,477
Program and administrative equipment	<u>1,469,941</u>
	7,919,418
Less accumulated depreciation	<u>7,195,095</u>
	724,323
Land	<u>56,300</u>
	\$ <u>780,623</u>

Depreciation expense was \$185,173 for the year ended June 30, 2025.

Foothills Gateway, Inc.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025

NOTE E – NET ASSETS

From time to time, FGI’s Board of Directors approves designating net assets for future use for a specific purpose. Net investment in land, building and equipment is comprised of net land, building and equipment. Net assets with donor restrictions are restricted for the following purposes as of June 30, 2025:

Adult needs	\$ 12,365
Children and family	20,729
FSS council	25,996
Other	<u>13,627</u>
	\$ <u>72,717</u>

NOTE F – RETIREMENT PLAN

FGI has established a defined contribution retirement plan for all employees age 21 and over who have completed one year of service. FGI contributes an amount equal to 5% of the salary of each participant totaling \$381,161 for the year ended June 30, 2025.

NOTE G – FUNCTIONALIZED EXPENSES

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

NOTE H - CONCENTRATIONS

FGI receives a substantial amount of revenue from the State of Colorado and Larimer County, Colorado. For the year ended June 30, 2025, FGI received \$14,222,239 from the State of Colorado derived from State and Federal sources which comprises 65% of total revenue and \$6,474,537 from Larimer County, Colorado which comprises 30% of total revenue. In addition, FGI has State of Colorado related receivables of \$2,969,929 which comprises 64% of total accounts receivable and Larimer County related receivables of \$1,583,548 which comprises 34% of total accounts receivable.