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Form **990-T**

Exempt Organization Business Income Tax Return (and proxy tax under section 6033(e))

OMB No 1545-0687

2017

For calendar year 2017 or other tax year beginning 07/01, 2017, and ending 06/30, 2018

Go to www.irs.gov/Form990T for instructions and the latest information.

Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3)

Open to Public Inspection for 501(c)(3) Organizations Only

A Check box if address changed

Name of organization (Check box if name changed and see instructions)

D Employer identification number (Employees' trust see Instructions)

B Exempt under section
 501(c)(3)
 408(e) 220(e)
 408A 530(a)
 529(a)

Print or Type

FAMILY TREE, INC.

84-0730973

Number, street, and room or suite no. If a P O box, see instructions

3805 MARSHALL STREET

E Unrelated business activity codes (See instructions)

City or town, state or province, country, and ZIP or foreign postal code

WHEAT RIDGE, CO 80033

532000

C Book value of all assets at end of year

4,873,193.

F Group exemption number (See instructions)

G Check organization type 501(c) corporation 501(c) trust 401(a) trust Other trust

H Describe the organization's primary unrelated business activity **DEBT-FINANCED RENTAL INCOME**

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? Yes No
If "Yes," enter the name and identifying number of the parent corporation

J The books are in care of **JILL S. FARNHAM** Telephone number **303-422-2133**

Part I	Unrelated Trade or Business Income	(A) Income	(B) Expenses	(C) Net
1a	Gross receipts or sales			
b	Less returns and allowances			
c	Balance			
1c				
2	Cost of goods sold (Schedule A, line 7)			
3	Gross profit Subtract line 2 from line 1c			
3				
4a	Capital gain net income (attach Schedule D)			
4a				
4b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)			
4b				
4c	Capital loss deduction for trusts			
4c				
5	Income (loss) from partnerships and S corporations (attach statement)			
5				
6	Rent income (Schedule C)			
6				
7	Unrelated debt-financed income (Schedule E)	5,534.	9,090.	-3,556.
7				
8	Interest, annuities, royalties, and rents from controlled organizations (Schedule F)			
8				
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)			
9				
10	Exploited exempt activity income (Schedule I)			
10				
11	Advertising income (Schedule J)			
11				
12	Other income (See instructions, attach schedule)			
12				
13	Total. Combine lines 3 through 12	5,534.	9,090.	-3,556.
13				

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.) (Except for contributions, deductions must be directly connected with the unrelated business income)

14	Compensation of officers, directors, and trustees (Schedule K)	14	
15	Salaries and wages	15	
16	Repairs and maintenance	16	
17	Bad debts	17	
18	Interest (attach schedule)	18	
19	Taxes and licenses	19	
20	Charitable contributions (See instructions for limitation rules)	20	
21	Depreciation (attach Form 4562)	21	
22	Less depreciation claimed on Schedule A and elsewhere on return	22b	
23	Depletion	23	
24	Contributions to deferred compensation plans	24	
25	Employee benefit programs	25	
26	Excess exempt expenses (Schedule I)	26	
27	Excess readership costs (Schedule J)	27	
28	Other deductions (attach schedule)	28	
29	Total deductions Add lines 14 through 28	29	
30	Unrelated business taxable income before net operating loss deduction Subtract line 29 from line 13	30	-3,556.
31	Net operating loss deduction (limited to the amount on line 30)	31	
32	Unrelated business taxable income before specific deduction Subtract line 31 from line 30	32	-3,556.
33	Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions)	33	1,000.
34	Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32	34	-3,556.

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Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation Controlled group members (sections 1561 and 1563) check here See instructions and
36 Trusts Taxable at Trust Rates. See instructions for tax computation Income tax on the amount on line 34 from Tax rate schedule or Schedule D (Form 1041),
37 Proxy tax. See instructions
38 Alternative minimum tax
39 Tax on Non-Compliant Facility Income. See instructions
40 Total. Add lines 37, 38 and 39 to line 35c or 36, whichever applies

Part IV Tax and Payments

41 a Foreign tax credit (corporations attach Form 1118, trusts attach Form 1116),
41 b Other credits (see instructions),
41 c General business credit Attach Form 3800 (see instructions),
41 d Credit for prior year minimum tax (attach Form 8801 or 8827),
41 e Total credits Add lines 41a through 41d
42 Subtract line 41e from line 40
43 Other taxes Check if from Form 4255 Form 8611 Form 8697 Form 8866 Other (attach schedule),
44 Total tax. Add lines 42 and 43,
45 a Payments A 2016 overpayment credited to 2017
45 b 2017 estimated tax payments
45 c Tax deposited with Form 8868.
45 d Foreign organizations Tax paid or withheld at source (see instructions)
45 e Backup withholding (see instructions)
45 f Credit for small employer health insurance premiums (Attach Form 8941)
45 g Other credits and payments Form 2439 Form 4136 Other Total
46 Total payments. Add lines 45a through 45g
47 Estimated tax penalty (see instructions) Check if Form 2220 is attached,
48 Tax due If line 46 is less than the total of lines 44 and 47, enter amount owed
49 Overpayment. If line 46 is larger than the total of lines 44 and 47, enter amount overpaid
50 Enter the amount of line 49 you want Credited to 2018 estimated tax Refunded

Part V Statements Regarding Certain Activities and Other Information (see instructions)

51 At any time during the 2017 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts If YES, enter the name of the foreign country here
52 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see instructions for other forms the organization may have to file
53 Enter the amount of tax-exempt interest received or accrued during the tax year

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge
Signature of preparer: [Signature] Date: 11/06/2018 Title: Chief Financial Officer
May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer Use Only
Print/Type preparer's name: ADAM R SMITH CPA
Preparer's signature: Adam Smith Date: 11-5-2018
Check if self-employed: [] PTIN: P00958966
Firm's name: BKD, LLP Firm's EIN: 44-0160260
Firm's address: 111 SOUTH TEJON, SUITE 800, COLORADO SPRINGS, CO 80903-9848 Phone no: 719 471-4290

Form 990-T (2017)

Schedule A - Cost of Goods Sold. Enter method of inventory valuation ▶

1	Inventory at beginning of year	1		6	Inventory at end of year	6	
2	Purchases	2		7	Cost of goods sold Subtract line 6 from line 5 Enter here and in Part I, line 2.	7	
3	Cost of labor	3		8	Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No
4a	Additional section 263A costs (attach schedule)	4a					X
4b	Other costs (attach schedule)	4b					
5	Total Add lines 1 through 4b	5					

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)

(see instructions)

1 Description of property		
(1)		
(2)		
(3)		
(4)		
2 Rent received or accrued		
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(1)		
(2)		
(3)		
(4)		
Total	Total	(b) Total deductions Enter here and on page 1, Part I, line 6, column (B) ▶
(c) Total income Add totals of columns 2(a) and 2(b) Enter here and on page 1, Part I, line 6, column (A) ▶		

Schedule E - Unrelated Debt-Financed Income (see instructions)

1 Description of debt-financed property		2 Gross income from or allocable to debt-financed property	3 Deductions directly connected with or allocable to debt-financed property	
			(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)
(1)	ATTACHMENT 1			
(2)				
(3)				
(4)				
4 Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5 Average adjusted basis of or allocable to debt-financed property (attach schedule)	6 Column 4 divided by column 5	7 Gross income reportable (column 2 x column 6)	8 Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
Totals ▶			5,534.	9,090.
Total dividends-received deductions included in column 8 ▶				

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

Table with 6 columns: 1 Name of controlled organization, 2 Employer identification number, 3 Net unrelated income (loss), 4 Total of specified payments made, 5 Part of column 4 that is included in the controlling organization's gross income, 6 Deductions directly connected with income in column 5.

Nonexempt Controlled Organizations

Table with 5 columns: 7 Taxable Income, 8 Net unrelated income (loss), 9 Total of specified payments made, 10 Part of column 9 that is included in the controlling organization's gross income, 11 Deductions directly connected with income in column 10.

Totals row for Schedule F with instructions for adding columns 5 and 10, and 6 and 11.

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions)

Table with 5 columns: 1 Description of income, 2 Amount of income, 3 Deductions directly connected, 4 Set-asides, 5 Total deductions and set-asides.

Totals row for Schedule G with instructions for entering data on page 1, Part I.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income (see instructions)

Table with 7 columns: 1 Description of exploited activity, 2 Gross unrelated business income, 3 Expenses directly connected, 4 Net income (loss), 5 Gross income from activity, 6 Expenses attributable, 7 Excess exempt expenses.

Totals row for Schedule I with instructions for entering data on page 1, Part I and Part II.

Schedule J - Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

Table with 7 columns: 1 Name of periodical, 2 Gross advertising income, 3 Direct advertising costs, 4 Advertising gain or (loss), 5 Circulation income, 6 Readership costs, 7 Excess readership costs.

Totals row for Schedule J, Part I with instruction to carry to Part II, line (5).

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis)

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (col 2 minus col 3) If a gain, compute cols 5 through 7	5 Circulation income	6 Readership costs	7 Excess readership costs (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						
Totals from Part I ▶						
	Enter here and on page 1, Part I, line 11, col (A)	Enter here and on page 1, Part I, line 11, col (B)				Enter here and on page 1, Part II, line 27
Totals, Part II (lines 1-5) ▶						

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions)

1 Name	2 Title	3 Percent of time devoted to business	4 Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
Total. Enter here and on page 1, Part II, line 14 ▶			

FEDERAL FOOTNOTES

FORM 990-T, PART II, LINE 31
NET OPERATING LOSS DEDUCTION

<u>TAX YEAR GENERATED (UTILIZED)</u>	<u>ORIGINAL</u>	<u>UTILIZED OR EXPIRED IN PRIOR YEARS</u>	<u>UTILIZED OR EXPIRED IN CURRENT YEAR</u>	<u>CARRIED FORWARD</u>
1995	6/30/1996	3,843	(3,843)	-
1996	6/30/1997	15,069	(15,069)	-
1997	6/30/1998	1,229	(1,229)	-
1998	6/30/1999	-	-	-
1999	6/30/2000	2,716	-	2,716
2000	6/30/2001	2,781	-	2,781
2001	6/30/2002	-	-	-
2002	6/30/2003	117	-	117
2003	6/30/2004	4,563	-	4,563
2004	6/30/2005	810	-	810
2005	6/30/2006	2,642	-	2,642
2006	6/30/2007	-	-	-
2007	6/30/2008	3,604	-	3,604
2008	6/30/2009	-	-	-
2009	6/30/2010	-	-	-
2010	6/30/2011	1,220	-	1,220
2011	6/30/2012	2,361	-	2,361
2012	6/30/2013	917	-	917
2013	6/30/2014	2,488	-	2,488
2014	6/30/2015	5,810	-	5,810
2015	6/30/2016	3,680	-	3,680
2016	6/30/2017	1,261	-	1,261
2017	6/30/2018	3,556	-	3,556
NOL CARRY FORWARD TO 2018				<u>\$ 38,526</u>