

# FLORENCE CRITTENTON HOME AND SERVICES AND FLORENCE CRITTENTON HOME AND SERVICES FOUNDATION

## FINANCIAL STATEMENTS

June 30, 2025



**Puzdrak and Stortz LLC**

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**FLORENCE CRITTENTON HOME AND SERVICES  
AND FLORENCE CRITTENTON HOME  
AND SERVICES FOUNDATION**

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## **INDEPENDENT AUDITOR'S REPORT**

**Board of Trustees  
Florence Crittenton Home and Services and  
Florence Crittenton Home and Services  
Foundation Helena, Montana**

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

#### ***Opinion***

We have audited the accompanying consolidated financial statements of Florence Crittenton Home and Services (the "Home") Florence Crittenton Home and Services Foundation (the "Foundation"), which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities and changes in net assets, consolidated cash flows, and consolidated functional expenses 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 consolidated financial position of the Home and Foundation as of June 30, 2025, and the changes in their net assets and their 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 the Home and Foundation 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 opinion.

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

Management is responsible for the preparation and fair presentation of these 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 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 the Home and Foundation's ability to continue as a going concern for one year after the date that the financial statements are 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.



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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 the Home and Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Home and Foundation'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 Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating statement of financial position and the consolidating statement of activities and changes in net assets is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

*Puzdrak and Stortz LLC*

Austin, Texas  
February 5, 2026

**FLORENCE CRITTENTON HOME AND SERVICES  
AND FLORENCE CRITTENTON HOME AND SERVICES FOUNDATION**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**JUNE 30, 2025**

Assets	
Cash and cash equivalents	\$ 1,298,111
Investments	758,717
Patient and accounts receivable, net	148,845
Grants receivable	153,187
Prepaid expenses and other assets	9,109
Cash surrender value of life insurance	79,383
Property and equipment, net	<u>12,374,538</u>
Total assets	<u>\$ 14,821,890</u>
Liabilities and Net Assets	
Accounts payable	\$ 787,914
Accrued salaries	68,958
Accrued payroll taxes and benefits	28,863
Accrued vacation	172,616
Contract liabilities	13,308
Planned gift liability	2,069
Refundable advance liability	7,600
Long-term debt, net	<u>2,745,301</u>
Total liabilities	3,826,629
Commitments and contingencies	
	-
Net Assets	
Without donor restrictions	2,121,616
With donor restrictions	<u>8,873,645</u>
Total net assets	<u>10,995,261</u>
Total liabilities and net assets	<u>\$ 14,821,890</u>

See accompanying notes to the financial statements.

**FLORENCE CRITTENTON HOME AND SERVICES  
AND FLORENCE CRITTENTON HOME AND SERVICES FOUNDATION**

**CONSOLIDATED STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2025**

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Patient service revenue, net of contractual and bad debts	\$ 1,027,235	\$ -	\$ 1,027,235
Fee for service	317,765	-	317,765
Agency contracts	590,631	-	590,631
Contributions and grants	948,279	1,341,164	2,289,443
Contributions of nonfinancial assets	192,290	-	192,290
Special events revenue, net of \$308,222 of direct benefits to donors	168,777	-	168,777
Investment return, net	1,349	86,197	87,546
Gain (loss) on sale of assets	365,000	-	365,000
Other income	130,625	-	130,625
<i>Net assets released from restrictions</i>	177,818	(177,818)	-
Total support and revenue	3,919,769	1,249,543	5,169,312
Expenses:			
Program services	2,850,302	-	2,850,302
Management and general	515,482	-	515,482
Fundraising	528,751	-	528,751
Total expenses	3,894,535	-	3,894,535
Change in net assets	25,234	1,249,543	1,274,777
Net assts, beginning of year	2,096,382	7,624,102	9,720,484
Net assts, end of year	\$ 2,121,616	\$ 8,873,645	\$ 10,995,261

See accompanying notes to the financial statements.

**FLORENCE CRITTENTON HOME AND SERVICES  
AND FLORENCE CRITTENTON HOME AND SERVICES FOUNDATION**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED JUNE 30, 2025**

	Program Services	Management and General	Fundraising	Cost of Direct Benefits to Donors	Total
Salaries and wages	\$ 1,888,110	\$ 171,874	\$ 312,138	\$ -	\$ 2,372,122
Employee benefits	130,883	23,773	20,822	-	175,478
Payroll taxes	160,377	12,814	24,818	-	198,009
Total personnel expenses	2,179,370	208,461	357,778	-	2,745,609
Accounting	49,370	10,695	4,497	-	64,562
Professional services	146,122	28,551	72,891	-	247,564
Equipment	5,162	13,051	1,472	-	19,685
Advertising and marketing	2,188	174	13,575	-	15,937
Occupancy	59,493	10,656	6,568	-	76,717
Printing	2,207	32	11,387	-	13,626
Postage	10	496	4,817	-	5,323
Maintenance	106,258	13,686	6,282	-	126,226
Depreciation	-	97,735	-	-	97,735
Board	-	596	-	-	596
Insurance	103,800	564	7,769	-	112,133
Dues and subscriptions	8,915	6,068	860	-	15,843
Education and training	19,044	30	-	-	19,074
Other	89	2	-	-	91
Meals	74,793	51	40	-	74,884
Supplies	39,990	1,663	6,576	-	48,229
Educational program	27,923	6,882	17,291	-	52,096
Travel	25,544	1,072	3,507	-	30,123
Fees	24	11,502	13,441	-	24,967
Cost of direct benefits to donors	-	-	-	308,222	308,222
Interest expense	-	103,515	-	-	103,515
	2,850,302	515,482	528,751	308,222	4,202,757
Less expenses included with revenues on the consolidated statement of activities					
Cost of direct benefits to donors	-	-	-	(308,222)	(308,222)
Total expenses included in the expense section on the consolidated statement of activities	\$ 2,850,302	\$ 515,482	\$ 528,751	\$ -	\$ 3,894,535

See accompanying notes to the financial statements.

**FLORENCE CRITTENTON HOME AND SERVICES  
AND FLORENCE CRITTENTON HOME AND SERVICES FOUNDATION**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED JUNE 30, 2025**

Cash flows from operating activities:	
Change in net assets	\$ 1,274,777
<i>Adjustments to reconcile change in net assets to net cash used in operating activities:</i>	
Depreciation	97,735
Realized and unrealized (gain) loss on investments	(6,582)
Gain on sale of property and equipment	(365,000)
Changes in operating assets and liabilities:	
Patient and accounts receivable, net	(68,057)
Grants receivable	771,350
Prepaid expenses and other assets	(4,255)
Accounts payable	(3,597,298)
Accrued salaries	9,044
Accrued payroll taxes and benefits	(9,273)
Accrued vacation	(12,440)
Contract liabilities	2,919
Refundable advance liability	<u>(1,074)</u>
Net cash (used in) operating activities	(1,908,154)
Cash flows from investing activities:	
Proceeds from sale of investments	(236,744)
Purchase of investments	201,245
Proceeds from sale of property and equipment	365,000
Purchase of property and equipment	<u>(1,255,866)</u>
Net cash (used in) investing activities	<u>(926,365)</u>
Cash flows from financing activities:	
Proceeds from long-term debt	3,020,743
Principal payments on long-term debt	(275,442)
Net payments on line of credit	<u>(105,719)</u>
Net cash provided by financing activities	<u>2,639,582</u>
Net change in cash and cash equivalents	(194,937)
Cash and cash equivalents, beginning of year	<u>1,493,048</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,298,111</u></u>

**SUPPLEMENTARY INFORMATION:**

Cash paid for income taxes	\$ <u>          -</u>
Cash paid for interest	\$ <u>      14,792</u>
Accounts payable for property and equipment	\$ <u>      552,218</u>

See accompanying notes to the financial statements.

**FLORENCE CRITTENTON HOME AND SERVICES  
AND FLORENCE CRITTENTON HOME AND SERVICES FOUNDATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**Organization** - Florence Crittenton Home and Services (Home) provides a trauma informed, two generation approach to supporting young families through comprehensive services. Services include residential treatment, transitional living, early home visiting, community parenting education and support, high quality childcare, targeted case management and permanent supportive housing. Programs include more integrated co-occurring treatment for both mental health and substance abuse.

The Florence Crittenton Home and Services Foundation (Foundation) was formed in July 1987, for the purpose of raising funds for future projects and acquiring a building for the Home. The By-Laws of the Home and Foundation were revised at the end of Fiscal Year 2007 to reflect a combined board of the Home and Foundation. Therefore, according to the By-Laws, each Director of the Foundation will be a member of the Board of Trustees of the Florence Crittenton Home and Services, Inc., of Helena.

**Basis of Accounting** - The consolidated financial statements of the Home and Foundation have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States.

**Basis of Consolidation** - For financial reporting purposes, the consolidated financial statements include the accounts of the Florence Crittenton Home and Services and Florence Crittenton Home and Services Foundation. All material intercompany transactions and accounts have been eliminated.

**Use of Estimates** - The preparation of the accompanying consolidated financial statements in conformity with accounting principles generally accepted in the United States (GAAP) requires management to make certain estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Estimates and assumptions made by management include, but are not limited to, the allowance for doubtful accounts. Actual results could differ from these estimates.

**Cash and Cash Equivalents** - The Home considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

**Patient and Accounts Receivable** - The Home provides an allowance for doubtful accounts when the collectability of the accounts are determined to be impaired. The allowance is based on prior years' experience, current economic conditions, and management's analysis. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. The Home has analyzed accounts receivable at June 30, 2025, and determined that an allowance of \$146 was necessary.

**Patient Service Fees** - The Home has agreements with third-party payers that provide for reimbursement to the Home at amounts different from its established rates. Net treatment fee revenue is reported at the estimated net realizable amounts from patients, third-party payers, and others for services rendered. Services rendered to Medicaid patients are reimbursed at scheduled rates. Services rendered to insurance subscribers are reimbursed at billed charges less any contractual discounts and patient responsibility.

**Donated Materials** - Donated materials are reflected as contributions at their estimated value at date of receipt. The Home and Foundation received \$192,290 in contributions of nonfinancial assets for the year ended June 30, 2025. These nonfinancial contributions include supplies and services. Supplies and services are valued at what it would cost for those supplies or services at the time of donation.

**FLORENCE CRITTENTON HOME AND SERVICES  
AND FLORENCE CRITTENTON HOME AND SERVICES FOUNDATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**Investments** - The Foundation carries investments in marketable securities with readily determined fair values and all investments in debt securities at their fair values in the consolidated statements of financial position. Quoted market prices in active markets are used as the basis of measurement. Unrealized gains and losses are included in the change in net assets in the accompanying consolidated statements of activities and changes in net assets. Purchases and sales of securities are reflected on a trade-date basis. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Investments are generally recorded at fair value based upon quoted market prices, when available, or estimates of fair value. Donated assets are recorded at fair value at the date of donation, or, if sold immediately after receipt, at the amount of sales proceeds received (which are considered a fair measure of the value at the date of donation). Those investments for which fair value is not readily determinable are carried at cost or, if donated, at fair value at the date of donation, or if no value can be estimated, at a nominal value. Investment income or loss and unrealized gains or losses are included in the consolidated statements of activities and changes in net assets as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law.

**Planned Gift Liabilities** - Various planned giving instruments commit the Foundation to future payments to designated beneficiaries as part of the contribution. The following summarizes the types of planned giving instruments and associated liabilities carried by the Foundation:

Charitable and Deferred Gift Annuities: Charitable gift annuities require annual payments at a fixed rate specified in the contract to a designated beneficiary over the beneficiary's lifetime, with payments commencing upon contribution. The payment is based on the value of the assets at the date of donation. Deferred gift annuities are similar but delay the start of annual payments to a future date. The financial statements include a liability representing the present value of the payments required by those contracts over the beneficiaries' expected lives as determined by IRS mortality tables.

**Property, Equipment and Depreciation** - Property and equipment are capitalized at cost or, if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of the asset. The Home and Foundation capitalizes property and equipment with a value greater than or equal to \$1,500 and a useful life of greater than one year.

The Home and Foundation reports gifts of property and equipment as support without restriction unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Home and Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

**Net Assets**

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 the organization. These net assets may be used at the discretion of the Home and Foundation's management and the board of directors.

**FLORENCE CRITTENTON HOME AND SERVICES  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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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 the Home and Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby 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 consolidated statements of activities.

**Recognition of Donor Restrictions** - The Home and Foundation report gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a 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 consolidated statements of activities and changes in net assets as net assets released from restrictions. Restrictions met within the same fiscal period as the donation are reported as without donor restrictions.

**Revenue Recognition**

Patient Service Fees, Fee for Services, and Agency Contracts - Patient service fees, fee for services, and agency contracts are reported at the amount that reflects the consideration to which the Home expects to be entitled in exchange for providing patient care. These amounts are due from patients or third-party payers. Generally, the Home bills the patients and third-party payers several days after the services are performed. Revenue is recognized as performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided. For revenue from services provided to patients of the Home, the performance obligation is satisfied as the patient simultaneously receives and consumes the benefits provided as the patient services are performed. In the case of these services, recognition of the obligation over time yields the same result as recognizing the obligation at a point in time. The Home 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.

The Home determines the transaction price, which involves significant estimates and judgment, based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payers. The Home determines its estimates of contractual adjustments based on contractual agreements and historical experience.

Contribution Revenue - Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identifying of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized.
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met.

Unconditional contributions are recognized as revenue when received. Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of net activities and changes in net assets as net assets released from restrictions.

**FLORENCE CRITTENTON HOME AND SERVICES  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

Grant Revenue - Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

Grant Awards That Are Contributions - Grant awards that are contributions are evaluated for conditions and recognized as revenue when conditions in the award are satisfied. Unconditional awards are recognized as revenue when the award letter is received. Amounts received in which conditions have not been met are reported as a refundable advance liability.

Grant Awards That Are Exchange Transactions - Exchange transactions are those in which the resource provider or grantor receives a commensurate value in exchange for goods or services transferred. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability.

**Functional Expenses** - Expenses connected with providing the various programs and other activities are allocated on a functional basis in the statement of activities. Joint costs, which include fund-raising costs include salaries and benefits, which have been allocated based on an estimate of employee time spent on each function. Other joint costs have been allocated based on an estimate of benefit provided to each function.

**Advertising and Promotion** - Advertising and promotion costs are charged to operations when incurred. Advertising and promotion expense was \$15,937 for the year ended June 30, 2025.

**Income Taxes** - The Home and Foundation are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Home and Foundation's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Home and Foundation qualify for the charitable contribution deduction under Section 170(b)(1)(A) and have been classified as organizations that are not private foundations.

Penalties and interest assessed by income taxing authorities are included in management and general expenses, if applicable. The Home and Foundation have no interest and penalties related to income taxes for the year ended June 30, 2025. The Home and Foundation's federal and state returns are subject to examination generally for three years after they are filed.

**Reclassifications** - Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

**NOTE 2: CONCENTRATION OF CREDIT RISK:**

The Home and Foundation maintain cash balances at financial institutions where the accounts are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000 and the Securities Investor Protection Corporation (SIPC) for up to \$500,000. The Home and Foundation use a combination of interest bearing and non-interest bearing accounts at their bank. At certain times during the year, cash balances may be in excess of FDIC and SIPC coverage. As of June 30, 2025, the Home and Foundation had \$467,333 in excess of FDIC and SIPC coverage.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

The Home and Foundation have not experienced any losses in such accounts, and believes they are not exposed to any significant credit risk on cash.

**NOTE 3: INVESTMENTS:**

Investments at June 30, 2025, and related returns for the year then ended consisted of the following:

		Cost		Market
Equity securities	\$	234,573	\$	280,683
Mutual funds		155,576		200,526
Exchange-traded funds		33,968		45,785
Certificates of deposit		25,000		25,148
Corporate bonds		128,964		131,501
US government obligations		75,052		75,074
Total	\$	653,133	\$	758,717

Investment Return, Net for the year ended June 30, 2025 consists of:

Interest & dividends	\$	68,529
Realized and unrealized gains (losses)		25,343
Fees		(6,326)
Total investment return, net	\$	87,546

**NOTE 4: FAIR VALUE MEASUREMENTS:**

The following is a description of the valuation methodologies used for assets measured at fair value.

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Home and Foundation have the ability to access, and where transactions occur within.

Level 2 Inputs to the valuation methodology include:

Quoted prices for similar assets or liabilities in active markets;  
Quoted prices for identical or similar assets or liabilities in inactive markets;

Inputs, other than quoted prices, that are observable for the asset or liability; Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology reflect management's assumptions about significant unobservable inputs that market participants would use in pricing the asset or liability.

**FLORENCE CRITTENTON HOME AND SERVICES  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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Quoted market prices are used to determine the fair value of investments in publicly traded equity securities (common and preferred stock). Money market funds, equity funds, and fixed income funds are valued using quotes from pricing vendors based on recent trading activity and other observable market data.

*Equity Securities* - Equity securities with a readily determinable fair value are measured at fair value on a recurring basis. The fair value measurement of equity securities with a readily determinable fair value are based on the quoted price of the security and are considered a Level 1 fair value measurement. Equity securities without a readily determinable fair value are measured at fair value on a nonrecurring basis when transaction prices for identical or similar securities are identified. Fair value measurements on equity securities without a readily determinable fair value are generally considered a Level 2 fair value measurement.

*Mutual Funds* - Valued at the daily closing price as reported by the fund or market the security is based on. Mutual funds held by the Organization are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Foundation are deemed to be actively traded. The fair value measurement of mutual funds with a readily determinable fair value are based on the quoted price of the funds and are considered a Level 1 fair value measurement.

*Exchange-traded Funds* - Exchange-traded funds with a readily determinable fair value are measured at fair value on a recurring basis. The fair value measurement of exchange-traded funds with a readily determinable fair value are based on the quoted price of the funds and are considered a Level 1 fair value measurement.

*Certificates of Deposit* - Certificates of deposit are reported at fair value on a recurring basis determined by reference to quoted prices for similar investments, yield curves, and other relevant information generated by market transactions and are considered a Level 2 fair value measurement.

*US Government Obligations and Corporate Bonds* - Corporate bonds are reported at fair value on a recurring basis determined by reference to quoted prices for similar investments, yield curves, and other relevant information generated by market transactions and are considered a Level 2 fair value measurement.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Furthermore, while the Home and Foundation 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.

**FLORENCE CRITTENTON HOME AND SERVICES  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

The following tables present the balances of assets and liabilities measured at fair value on a recurring basis by level within the fair value hierarchy:

	June 30, 2025			
	Level 1	Level 2	Level 3	Total
Equity securities	\$ 280,683	\$ -	\$ -	\$ 280,683
Mutual funds	200,526	-	-	200,526
Exchange-traded funds	45,785	-	-	45,785
Certificates of deposit		25,148	-	25,148
Corporate bonds		131,501	-	131,501
US government obligations		75,074	-	75,074
Total assets at fair value	\$ 526,994	\$ 231,723	\$ -	\$ 758,717

**NOTE 5: PROPERTY AND EQUIPMENT:**

Property and equipment, net consist of the following at June 30, 2025:

Building and improvements	\$ 3,547,656
Vehicles	85,720
Furniture and office equipment	17,725
Construction in progress	9,085,586
	12,737,687
Less: accumulated depreciation	(363,149)
Total property and equipment, net	\$ 12,374,538

**NOTE 6: LINE OF CREDIT:**

The Home maintains a line of credit with First Interstate Bank in the amount of \$121,209 with interest of 9.25%. The line of credit matures July 21, 2025. The line of credit is collateralized by all machinery, equipment, furniture, fixtures, receivables and inventory. As of June 30, 2025, \$121,209, was outstanding on the line of credit.

**NOTE 7: LONG-TERM DEBT:**

On December 20, 2024, the Home entered into a note payable with First Interstate Bank valued at \$3,019,349. The note payable accrues interest at 7.26% per annum, interest only payments are due each month until June 25, 2025, starting on July 25, 2025 the note payable requires monthly principal and interest installments of \$22,050. The note payable is collateralized by a deed of trust on the real property.

**FLORENCE CRITTENTON HOME AND SERVICES  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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The note payable matures on December 25, 2029. Future maturities are as follows:

<u>Years Ending June 30,</u>		<u>Total</u>
2026	\$	64,614
2027		69,534
2028		74,302
2029		80,486
2030		<u>2,456,365</u>
Long-term debt, net	\$	<u>2,745,301</u>

**NOTE 8: COMMITMENTS AND CONTINGENCIES:**

Contingencies

The Home has been awarded certain grants and contracts and is subject to financial and compliance requirements of the grantors or their representatives. The amount, if any, of expenses which may be disallowed by the granting agencies cannot be determined at this time although management does not expect such amounts, if any, to materially affect the financial statements.

Legal Proceedings

The Home is subject to legal proceedings and claims that arise in the ordinary course of business. Management believes that the final disposition of such matters will not have a material adverse effect on the financial statements of the Home.

Construction Commitments

The Home is currently renovating our building. As of June 30, 2025, the Home has incurred \$7.79 million of costs on the project. The total cost of the construction project under the executed contract is approximately \$7.8 million. Accordingly, the Home has a remaining commitment of approximately \$65,000 under the current contract.

**NOTE 9: RETIREMENT PLAN:**

During the year ended June 30, 2016, the Home entered into a tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code. The plan covers full-time employees of the Home. The Home matches contributions of up to 3% of gross salaries to the plan for qualified employees. Employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code. Plan expenses were \$36,187 for the year ended June 30, 2025.

**FLORENCE CRITTENTON HOME AND SERVICES  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 10: NET ASSETS WITH DONOR RESTRICTIONS:**

Net assets with donor restrictions are restricted for the following purposes or periods at June 30, 2025:

<b>Subject to the Expenditure for Specified Purpose:</b>	
Program and operations related	\$ 241,582
Florence Crittenton Home and Services Foundation	2,622,337
Building campaign	<u>5,757,151</u>
	<u>8,621,070</u>
<b>Endowments:</b>	
Perpetual in nature, earnings from which are subject to endowment spending policy appropriation:	
General use	<u>252,575</u>
<b>Total Endowments:</b>	<u>252,575</u>
<b>Total Net Assets With Donor Restrictions:</b>	<u>\$ 8,873,645</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors:

<b>Purpose Restrictions Accomplished:</b>	
Program and operations related	\$ <u>177,818</u>
<b>Total Restrictions Released</b>	<u>\$ 177,818</u>

**NOTE 11: ENDOWMENT FUNDS:**

The Board of Trustees has interpreted Montana's adoption of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary. The Foundation classifies as net assets with permanent donor-imposed restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment funds in excess of the original fair value that is not classified in net assets with permanent donor-imposed restrictions are classified as net assets with temporary donor-imposed restrictions until those amounts are appropriated for expenditure by the Home or Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

**Funds with Deficiencies** - From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Home and Foundation to retain as a fund of perpetual duration.

**FLORENCE CRITTENTON HOME AND SERVICES  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Return Objectives and Risk Parameters** - The Home and Foundation have adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Home and Foundation must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds.

Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to preserve endowment capital, and to provide a minimum annual target rate of return of at least inflation, plus the Foundation's spending policy, plus a real rate of return net of fees. The Home and Foundation expects the endowment funds, over time, to provide a reasonable current rate of return.

**Spending Policy** - The liquidity requirement for the endowment account is a 4% annual distribution, based on a 3-year rolling average, which is calculated at the end of each fiscal year.

**Strategies Employed for Achieving Objectives** - To satisfy its long-term rate-of-return objectives, the Home and Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized gains) and current yield (interest and dividends). The Home and Foundation target a diversified asset allocation including cash equivalents, fixed income, and equity securities to achieve its long-term return objectives within prudent risk constraints.

As of June 30, 2025, endowment net asset composition by type of fund is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 252,575	\$ 252,575
Accumulated investment gains	-	-	-
	\$ -	\$ 252,575	\$ 252,575

Changes in Endowment net assets for the year ended June 30, 2025 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ -	\$ 252,575	\$ 252,575
Investment return, net	-	28,695	28,695
Appropriation of endowment assets pursuant to spending-rate policy	-	(28,695)	(28,695)
Endowment net assets, end of year	\$ -	\$ 252,575	\$ 252,575

**FLORENCE CRITTENTON HOME AND SERVICES  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**NOTE 12: AVAILABILITY AND LIQUIDITY:**

The following represents the Organization's financial assets at June 30, 2025:

Financial assets at year end:	
Cash and cash equivalents	\$ 1,298,111
Investments	758,717
Patient and accounts receivable, net	291,379
Grants receivable	<u>10,653</u>
Total financial assets	2,358,860
Less amounts not available to be used within one year:	
Contractual or donor-imposed restrictions:	
Restricted by donor with purpose restrictions	1,744,046
Contract liabilities	<u>13,308</u>
	<u>1,757,354</u>
Financial assets available to meet general expenditures within one year	\$ <u><u>601,506</u></u>

The Organization's goal is to maintain financial assets to meet 30 days of operating expenses.

**NOTE 13: SUBSEQUENT EVENTS:**

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through February 5, 2026, the date that the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

**FLORENCE CRITTENTON HOME AND SERVICES  
AND FLORENCE CRITTENTON HOME AND SERVICES FOUNDATION**

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**

**JUNE 30, 2025**

	HOME	FOUNDATION	ELIMINATIONS	TOTAL
<b>Assets</b>				
Cash and cash equivalents	\$ 335,388	\$ 962,723	\$ -	\$ 1,298,111
Investments	-	758,717	-	758,717
Patient and accounts receivable, net	148,845	-	-	148,845
Grants receivable	153,187	-	-	153,187
Notes receivable - related party	-	1,372,447	(1,372,447)	-
Due from related party	3,988	-	(3,988)	-
Prepaid expenses and other assets	9,109	-	-	9,109
Cash surrender value of life insurance	79,383	-	-	79,383
Property and equipment, net	12,374,538	-	-	12,374,538
Total assets	<u>\$ 13,104,438</u>	<u>\$ 3,093,887</u>	<u>\$ (1,376,435)</u>	<u>\$ 14,821,890</u>
<b>Liabilities and Net Assets</b>				
Accounts payable	\$ 787,914	\$ -	\$ -	\$ 787,914
Accrued salaries	68,958	-	-	68,958
Accrued payroll taxes and benefits	28,863	-	-	28,863
Accrued vacation	172,616	-	-	172,616
Contract liabilities	13,308	-	-	13,308
Planned gift liability	-	2,069	-	2,069
Refundable advance liability	7,600	-	-	7,600
Due to related party	-	3,988	(3,988)	-
Note payable - related party	1,372,447	-	(1,372,447)	-
Long-term debt, net	2,745,301	-	-	2,745,301
Total liabilities	5,197,007	6,057	(1,376,435)	3,826,629
Commitments and contingencies	-	-	-	-
<b>Net Assets</b>				
Without donor restrictions	1,908,698	212,918	-	2,121,616
With donor restrictions	5,998,733	2,874,912	-	8,873,645
Total net assets	<u>7,907,431</u>	<u>3,087,830</u>	<u>-</u>	<u>10,995,261</u>
Total liabilities and net assets	<u>\$ 13,104,438</u>	<u>\$ 3,093,887</u>	<u>\$ (1,376,435)</u>	<u>\$ 14,821,890</u>

See accompanying notes to the financial statements.

**FLORENCE CRITTENTON HOME AND SERVICES  
AND FLORENCE CRITTENTON HOME AND SERVICES FOUNDATION**

**CONSOLIDATING STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2025**

	HOME			FOUNDATION			Eliminations	Total
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		
Support and revenue:								
Patient service revenue, net of contractual and bad debts	\$ 1,027,235	\$ -	\$ 1,027,235	\$ -	\$ -	\$ -	\$ -	\$ 1,027,235
Fee for service	317,765	-	317,765	-	-	-	-	317,765
Agency contracts	590,631	-	590,631	-	-	-	-	590,631
Contributions and grants	948,279	1,341,164	2,289,443	-	-	-	-	2,289,443
Contributions of nonfinancial assets	192,290	-	192,290	-	-	-	-	192,290
Special events revenue, net of \$308,222 of direct benefits to donors	168,777	-	168,777	-	-	-	-	168,777
Investment return, net	1,349	-	1,349	25,212	86,197	111,409	(25,212)	87,546
Gain (loss) on sale of assets	365,000	-	365,000	-	-	-	-	365,000
Other income	130,625	-	130,625	-	-	-	-	130,625
<i>Net assets released from restrictions</i>	<u>177,818</u>	<u>(177,818)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>3,919,769</u>	<u>1,163,346</u>	<u>5,083,115</u>	<u>25,212</u>	<u>86,197</u>	<u>111,409</u>	<u>(25,212)</u>	<u>5,169,312</u>
Expenses:								
Program services	2,849,386	-	2,849,386	916	-	916	-	2,850,302
Management and general	532,184	-	532,184	8,510	-	8,510	(25,212)	515,482
Fundraising	528,751	-	528,751	-	-	-	-	528,751
Total expenses	<u>3,910,321</u>	<u>-</u>	<u>3,910,321</u>	<u>9,426</u>	<u>-</u>	<u>9,426</u>	<u>(25,212)</u>	<u>3,894,535</u>
Change in net assets	9,448	1,163,346	1,172,794	15,786	86,197	101,983	-	1,274,777
Net assts, beginning of year	<u>1,899,250</u>	<u>4,835,387</u>	<u>6,734,637</u>	<u>197,132</u>	<u>2,788,715</u>	<u>2,985,847</u>	<u>-</u>	<u>9,720,484</u>
Net assts, end of year	<u>\$ 1,908,698</u>	<u>\$ 5,998,733</u>	<u>\$ 7,907,431</u>	<u>\$ 212,918</u>	<u>\$ 2,874,912</u>	<u>\$ 3,087,830</u>	<u>\$ -</u>	<u>\$ 10,995,261</u>

See accompanying notes to the financial statements.