

Financial Statements

Family Promise of Gallatin Valley, Inc.
(a nonprofit organization)
Years Ended June 30, 2024 and 2023



Independent Auditors' Report	3
Financial Statements	
Statements of Financial Position	5
Statements of Activities	6
Statements of Functional Expenses	7
Statements of Cash Flows	8
Notes to Financial Statements	10

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Family Promise of Gallatin Valley, Inc.
Bozeman, Montana

Opinion

We have audited the financial statements of Family Promise of Gallatin Valley, Inc. (a nonprofit) which comprise the statement of financial position as of June 30, 2024, 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 accompanying financial statements present fairly, in all material respects, the financial position of Family Promise of Gallatin Valley, Inc. as of June 30, 2024, 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 (GAAS). 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 Family Promise of Gallatin Valley, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 Family Promise of Gallatin Valley, Inc.'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 GAAS 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 GAAS, 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 Family Promise of Gallatin Valley, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Family Promise of Gallatin Valley, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

The financial statements of Family Promise of Gallatin Valley, Inc.'s for the year ended June 30, 2023 were audited by another auditor who expressed an unmodified opinion on those statements on November 15, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited financial statement from which it has been derived.

Harvie CPAs P.C.

Meridian, Idaho
October 31, 2024

FAMILY PROMISE OF GALLATIN VALLEY, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2024
With Comparative Totals as of June 30, 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 2,015,596	\$ 884,426
Accounts receivable	1,469	2,197
Grants receivable	28,061	203,393
Pledges receivable – current portion	97,000	30,150
Other current assets	<u>7,906</u>	<u>50,349</u>
Total Current Assets	2,150,032	1,170,515
Other Assets		
Pledges receivable, net of current portion	70,000	0
Property, plant and equipment, net	11,281,319	4,968,197
Beneficial interest in assets held by One Valley Community Foundation	<u>94,736</u>	<u>25,869</u>
Total Assets	<u>\$ 13,596,087</u>	<u>\$ 6,164,581</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 100,350	\$ 28,939
Accrued and withheld payroll costs	126,809	104,671
Accrued interest	25,737	0
Stepping Stone savings deposits	29,735	2,825
Current portion of long-term debt	<u>171,139</u>	<u>60,112</u>
Total Current Liabilities	453,770	196,547
Other Liabilities		
Long-term debt, net of current portion	<u>6,933,674</u>	<u>625,128</u>
Total Liabilities	7,387,444	821,675
Net Assets		
Without donor restrictions	4,548,674	5,248,189
With donor restrictions	<u>1,659,969</u>	<u>94,717</u>
Total Net Assets	<u>6,208,643</u>	<u>5,342,906</u>
Total Liabilities and Net Assets	<u>\$ 13,596,087</u>	<u>\$ 6,164,581</u>

See notes to financial statements.

FAMILY PROMISE OF GALLATIN VALLEY, INC.**STATEMENTS OF ACTIVITIES**

For the Year Ended June 30, 2024

With Comparative Totals for the Year Ended June 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2024 Total</u>	<u>2023 Total</u>
Revenues and Support				
Contributions	\$ 673,207	\$ 603,737	\$ 1,276,944	\$ 1,065,729
Special events and fundraisers	25,282		25,282	41,275
Contributed nonfinancial assets	138,893		138,893	771,783
Grants	768,027	1,526,821	2,294,848	915,790
Tuition	970,695		970,695	732,342
Rental income	174,569		174,569	27,677
Other income	13,698		13,698	9,315
Gain on sale of property and equipment	<u>0</u>	<u>0</u>	<u>0</u>	<u>585,833</u>
	2,764,371	2,130,558	4,894,929	4,149,744
Net assets released from restrictions	<u>565,307</u>	<u>(565,307)</u>	<u>0</u>	<u>0</u>
Total Revenue and Other Support	3,329,678	1,565,251	4,894,929	4,149,744
Expenses				
Prevention and diversion	134,224		134,224	84,886
Shelter and provisions	409,056		409,056	384,299
Preparation and stabilization	251,646		251,646	261,854
Community initiatives	59,643		59,643	44,892
Early learning	1,871,259		1,871,259	1,458,405
Journey home	<u>771,103</u>	<u>0</u>	<u>771,103</u>	<u>17,263</u>
Total program services	3,496,931		3,496,931	2,251,599
General and administrative	268,739		268,739	434,423
Fundraising	<u>263,522</u>	<u>0</u>	<u>263,522</u>	<u>128,744</u>
Total Expenses	<u>4,029,192</u>	<u>0</u>	<u>4,029,192</u>	<u>2,814,766</u>
Change in Net Assets	(699,514)	1,565,251	865,737	1,334,978
Net Assets				
Beginning of Year	<u>5,248,188</u>	<u>94,718</u>	<u>5,342,906</u>	<u>4,007,928</u>
End of Year	<u>\$ 4,548,674</u>	<u>\$ 1,659,969</u>	<u>\$ 6,208,643</u>	<u>\$ 5,342,906</u>

See notes to financial statements.

FAMILY PROMISE OF GALLATIN VALLEY
STATEMENTS OF FUNCTIONAL EXPENSES
For The Year Ended June 30, 2024
With Comparative Totals For The Year Ended June 30, 2023

	Prevention and Diversion	Shelter and Provisions	Preparation and Stabilization	Community Initiatives	Early Learning	Journey Home	Total Program	General and Administrative	Fundraising	2024 Total	2023 Total
Salaries and related costs	\$ 63,228	\$ 206,016	\$ 155,677		\$ 1,316,934		\$ 1,741,855	\$ 155,719	\$ 115,960	\$ 2,013,534	\$ 1,675,731
Contracted services		30,975	12,941		68,171	157,671	269,758	25,467	94,885	390,110	170,104
Guest	69,598	66,628	39,104	57,794	62,455	71,759	367,338	113	809	368,260	392,504
Interest		18			30,712	315,395	346,125			346,125	48,404
Depreciation			31		90,767	139,057	229,855	43,661	0	273,516	135,710
Facilities	428	53,828	32,737		59,724	83,267	229,984	2,905	1,618	234,507	114,561
Awards and grants			250		119,520		119,770			119,770	0
Miscellaneous		15,293	602		28,920	2,159	46,974	31,796	16,942	95,711	46,872
Advertising	-	2,580	4,729	0	29,169	72	36,550	2,661	19,817	59,028	44,304
Insurance		15,670			40,045		55,715	1,161	1,161	58,037	40,047
Supplies	420	13,905	4,182		23,612	385	42,504	1,527	3,217	47,248	121,792
Printing and copying		102	88	1,849	138	935	3,112	3,396	8,663	15,171	8,958
Travel and conference	550	4,041	1,305		1,092	403	7,391	333	450	8,174	15,779
Total Expenses	\$ 134,224	\$ 409,056	\$ 251,646	\$ 59,643	\$ 1,871,259	\$ 771,103	\$ 3,496,931	\$ 268,739	\$ 263,522	\$ 4,029,191	\$ 2,814,766

FAMILY PROMISE OF GALLATIN VALLEY, INC.
STATEMENTS OF CASH FLOWS
For The Year Ended June 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flow From Operating Activities		
Change in net assets	\$ 865,737	\$ 1,334,978
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	273,516	135,710
Donated property and equipment	0	(577,000)
Gain on sale of property and equipment	0	(585,833)
Unrealized gain on investment	0	(869)
Changes in operating assets and liabilities:		
Accounts receivable	728	(955)
Grants receivable	175,332	156,965
Pledges receivable	(136,850)	13,500
Other assets	(26,424)	(49,318)
Accounts payable	71,411	(14,156)
Accrued and withheld payroll costs	22,138	14,930
Accrued interest	25,737	0
Stepping Stone savings deposits	<u>26,910</u>	<u>525</u>
Net Cash Provided (Used) by Operating Activities	1,298,235	428,477
Cash Flow From Investing Activities		
Purchase of property and equipment	(71,976)	0
Purchase of beneficial interest in assets Held by One Valley Community Foundation	0	(25,000)
Proceeds from sale of property and equipment	<u>0</u>	<u>870,497</u>
Net Cash Provided (Used) by Investing Activities	(71,976)	845,497
Cash Flow From Financing Activities		
Principal payments on long-term debt	<u>(95,089)</u>	<u>(875,725)</u>
Net Change in Cash and Cash Equivalents	1,131,170	398,249
Cash and Cash Equivalents, Beginning of Year	<u>884,426</u>	<u>486,177</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,015,596</u>	<u>\$ 884,426</u>

See notes to financial statements.

FAMILY PROMISE OF GALLATIN VALLEY, INC.
STATEMENTS OF CASH FLOWS
For The Year Ended June 2024 and 2023

Supplemental Disclosure of Cash Flow Information:

Cash paid for interest	\$	320,390	\$	48,404
Supplemental investments and financing activities				
Purchase of building through issuance of loan payable	\$	6,514,662	\$	0
Capitalized interest and debt issuance costs on building	\$	0	\$	32,246

See notes to financial statements.

FAMILY PROMISE OF GALLATIN VALLEY, INC.

NOTES TO FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies

Nature of Organization

Family Promise of Gallatin Valley, Inc. is a nonprofit organization incorporated under the laws of the State of Montana for the purpose of developing comprehensive, holistic solutions for families facing homelessness. Family Promise of Gallatin Valley, Inc. provides prevention services before families reach crisis, shelter and case management when families become homeless, and stabilization programs once families have secured housing to ensure they remain independent. In addition, Family Promise of Gallatin Valley, Inc. operates a licenses early childhood learning center, open to all children in the community regardless of the families' ability to pay.

Basis of Accounting

The financial statements of Family Promise of Gallatin Valley, Inc. have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

The Organization reports net assets, revenues, expenses, gains and losses which are classified according to two classes of net assets: with donor restrictions and without donor restrictions. Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes. Net asset with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

Contributed Nonfinancial Assets

Family Promise of Gallatin Valley, Inc. records in-kind goods based on the fair value as described in generally accepted accounting principles. Family Promise of Gallatin Valley, Inc. recognizes donated services if they create or enhance non-financial assets or require specialized skills and would typically be purchased if not provided by donation. In-kind contributions are recognized as revenue when received and as expenditures when the resources are consumed.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents

Family Promise of Gallatin Valley, Inc. considers all unrestricted, short-term, highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

FAMILY PROMISE OF GALLATIN VALLEY, INC.

NOTES TO FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies (Continued)

Concentrations of Credit Risk

Financial instruments that potentially subject Family Promise of Gallatin Valley, Inc. to significant concentrations of credit risk consist principally of cash. Accounts at financial institutions are insured by the Federal Deposit Insurance Corporation and Securities Investor Protection Corporation for up to \$250,000 and \$500,000, respectively. Family Promise of Gallatin Valley, Inc. maintains cash balances at Opportunity Bank and Charles Swab. Bank deposits and investments exceeded their insured limits by \$1,260,799 and \$603,759 at June 30, 2024 and 2023, respectively.

Accounts Receivable

Accounts receivable consist of member dues and trade receivables. Uncollectible accounts receivable are charged directly against earnings when they are determined to be uncollectible. Use of this method does not result in a material difference from the valuation method required by accounting principles generally accepted in the United States of America.

Grants and Pledges Receivable

Grants and pledges receivable that are expected to be collected within one year are recorded at their net realizable value. Grants and pledges receivable that are expected to be collected in the future years are recorded at present value of their estimated future cash flows. The discounts are computed using risk-adjusted interest rates applicable to the year in which the promises are received. Amortization of the discounts is included in contribution revenue.

The measurement of fair value of pledges receivable uses significant unobservable inputs (Level 3 inputs), including estimated timing of receipts and collectability. The accretion of the discount in subsequent years is reposted as additional contributions in the net asset class in which the original pledge was recorded. Payments are based on the underlying donor agreement. Uncollectible grants and pledges are charged to bad debt expense once all attempts at collection have been exhausted. Management considers all grants and pledges as of June 30, 2024 and 2023, to be collectible.

Property Plant and Equipment

Property, plant and equipment is stated at cost, or, if donated, at the estimated fair market value at the date of donation. It is the Family Promise of Gallatin Valley, Inc.'s policy to capitalize purchases of capital assets greater than \$2,500. Expenditures for major renewal and betterments that extend the useful lives of equipment are capitalized, while expenditures for repairs and maintenance items are charged to expenses as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which ranges from five to forty years.

FAMILY PROMISE OF GALLATIN VALLEY, INC.

NOTES TO FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies (Continued)

Fair Value

The Organization uses fair value for reporting financial assets and liabilities. A hierarchy for reporting the reliability of input measurements is used to assess fair value for all assets and liabilities. Fair value is defined as the selling price that would be received for an asset, or paid to transfer a liability, in the principal or most advantageous market on the measurement date. The hierarchy established prioritizes fair value measurements based on the types of inputs used in the valuation technique. Certain financial instruments are carried at cost on the statements of financial position, which approximates fair value due to their short term, highly liquid nature.

Compensated Absences

All employees accrue paid time off based on length of continuous service with the Organization. As of June 30, 2024 and 2023, accrued compensated absences amounted to \$47,401 and \$29,989, respectively.

Revenue Recognition

Grants are recognized as revenue when the Organization meets the conditions for its revenue recognition, namely that it incurs reimbursable program expenses. The Organization determines the allowance for doubtful accounts by identifying troubled accounts, considering the grantor's financial condition and current economic conditions.

Contributions received are recorded as with or without donor restrictions, depending on the existence or nature of any donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as with donor restrictions that increases those net asset classes. If a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the contribution as without donor restrictions. Conditional promises to give are not recognized until they become unconditional; that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value on the date contribution.

Tuition revenue is generated from students attending the Organization's Rising Stars Early Learning Center. Students apply for admission to the Early Learning Center and tuition costs are individually assessed through a case management plan. Tuition revenue is recognized over time as the service is performed.

FAMILY PROMISE OF GALLATIN VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies (Continued)

Income Taxes

The Organization is a nonprofit corporation and is exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation; therefore, no provision for income taxes has been made in these statements.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification categories of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited using an appropriate basis consistently applied. The expenses that are allocated include depreciation, which is allocated on a square footage used basis. Salaries and wages, benefits, and payroll taxes are allocated based on actual hours worked.

Advertising

All advertising costs are expensed as incurred or contributed.

Prior Year Comparative Totals

The amounts shown for the year ended June 30, 2023 in the accompanying financial statements are included to provide a basis for comparison with 2024 and present summarized totals only. Accordingly, the 2023 totals are not intended to present all information necessary for a fair presentation in conformity with accounting principles generally accepted in the United States of America. Such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

Subsequent Events

Management has evaluated subsequent events through October 31, 2024, the date which the financial statements were available to be issued.

FAMILY PROMISE OF GALLATIN VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS

Note B – Liquidity and Availability of Resources

Family Promise of Gallatin Valley, Inc.’s financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash and cash equivalents	\$ 2,015,596
Accounts receivable	1,469
Grants receivable	90,000
Pledge receivable	<u>35,061</u>
Total financial assets available within one year	2,142,126

Less amounts unavailable for general expenditures within one year, due to:

Restricted by donors with purpose restrictions	<u>(1,659,969)</u>
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Total financial assets available within one year after restriction	<u>\$ 482,157</u>
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As part of Family Promise of Gallatin Valley, Inc.’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. At June 30, 2024, all net assets without donor restrictions are available for payment of any major expenditures incurred, except for accounts receivable which are available when the receivable is collected which is expected within the next year and the expenditure is incurred.

Note C – Property and Equipment

At June 30, property and equipment consisted of the following:

	<u>2024</u>	<u>2023</u>
Land	\$ 947,542	\$ 420,290
Buildings	7,128,520	1,081,646
Lease improvements	3,630,680	3,630,680
Furniture and equipment	76,591	68,979
Vehicles	<u>53,249</u>	<u>48,349</u>
	11,836,582	5,249,944
Less accumulated depreciation	<u>(555,263)</u>	<u>(281,747)</u>
	<u>\$ 11,281,319</u>	<u>\$ 4,968,197</u>

During the year ended June 30, 2024, the Organization purchased a building using debt, see Note E – Long Term Debt. Payable, this building and related land will be remodeled and used for the A Journey Home program to help provide shelter and housing for those in need.

FAMILY PROMISE OF GALLATIN VALLEY, INC.

NOTES TO FINANCIAL STATEMENTS

Note C – Property and Equipment (continued)

The Organization entered into an agreement with MT AP GMD LLC in November 2020 to construct and lease the Early Learning Center building. Under the terms of the agreement, the Organization paid \$3,917,929 for construction costs, which are capitalized above, and upon completion of the building in February 2022 the entity signed a agreement to lease the building for \$1 per month for 15 years. The Organization has the option to purchase the building for \$1 after 15 years or to renew the lease for an additional 5 years at fair market value rent the time of the renewal.

Note D – Beneficial Interest in Assets Held by One Valley Community Foundation

The Organization has transferred assets to One Valley Community Foundation (the Foundation) which is holding them as an endowed agency fund (the Fund) for the benefit of the Organization. The Organization has granted the Foundation variance power in which the Foundation has discretion to make changes to the Fund when its purpose is no longer necessary, can no longer be fulfilled, or has become inconsistent with the charitable needs of the community. The Fund is subject to the Foundation's investment and spending policies. The Organization is allocated its fund's proportionate share of the Foundation's funds investment return on an annual basis. The fund held by One Valley Community Foundation consist of a endowment agency and a designated endowment.

Within the endowment agency, the Organization may draw up to a certain percent of the value of the fund each year, subject to certain conditions and limitations. As of June 30, 2024 and 2023, the balance of the endowment agency fund were \$28,343 and 25,869, respectively.

During the year ended June 30, 2024, the Organization opened a designated endowment fund. The principal of the fund is restricted in perpetuity. As of June 30, 2024 the balance of the endowment was \$66,393.

The Organization reports the fair value of the Fund as Beneficial Interest in Assets Held by One Valley Community Foundation in the statements of financial position and reports distributions received as investment income in the statements of activities.

Changes in the value of the Fund are reported as unrealized gains or losses which is included in investment income in the statements of activities

As of June 30, 2024 and 2023, Beneficial Interest in Assets Held by One Value Community Foundation was \$94,736 and 25,869, respectively. Based on the standards, investments held by the Community Foundation are Level 3 assets. Changes in Level 3 assets for the year ended June 30 are as follows.

FAMILY PROMISE OF GALLATIN VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS

**Note D – Beneficial Interest in Assets Held by One Valley Community Foundation
(continued)**

Balance as July 1, 2022	\$	0
Purchases		25,000
Unrealized gains		1,057
Administrative fees		<u>(188)</u>
Balance as of June 30, 2023		25,869
Purchases		63,424
Unrealized gains		7,262
Administrative fee		<u>(1,819)</u>
Balances as of June 30, 2024	<u>\$</u>	<u>94,736</u>

Note E – Long Term Debt Payable

At June 30, long-term debt consisted of the following:

	<u>2024</u>	<u>2023</u>
Note payable to Opportunity Bank of Montana maturing September 2037, secured by real property. Payable in monthly installments of \$7,568, including interest at a rate of 4.65% annually. Term of agreement state the interest rate will increase every five years thereafter.	\$ 625,102	\$ 685,240
Note payable to Opportunity Bank of Montana maturing July 2048, secured by real property. Payable in interest only payments for 6 months, then monthly installments of \$33,950, including interest at a rate of 5.53% annually.	5,479,711	0
Note payable to NeighborWorks Montana maturing July 2026, secured by real property. Payable in monthly installments of \$7,568, including interest at a rate of 3.5% annually.	<u>1,000,000</u>	<u>0</u>
	7,104,813	685,240
Less current portion	<u>(171,139)</u>	<u>(60,112)</u>
Net long term debt payable	<u>\$ 6,933,674</u>	<u>\$ 625,128</u>

FAMILY PROMISE OF GALLATIN VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS

Note E – Long Term Debt Payable (continued)

The aggregate principal maturities of all long-term debt for each of the years succeeding May 31, 2024, are as follows:

2025	\$	171,139
2026		1,179,829
2027		189,420
2028		199,076
2029		217,313
Thereafter		<u>5,148,036</u>
	\$	<u>7,104,813</u>

Note F – Conditional Promise To Give

In September 2022, the Organization received notice from the Montana Department of Public Health and Humans Services that the Organization was awarded a conditional grant in the amount of \$989,735 for expanding operations of the Organization’s Early Learning Center for the period September 1, 2022 through August 31, 2023. The grant is 100% funded through federal funds from the American Rescue Plan Act of 2021. In accordance with the grant agreement, the Organization was required to secure matching contributions amounting to \$100,000. As of June 30, 2023, funding was secured for the match requirements. Based on the terms of the grant, the Organization has accounted for this grant in accordance with FASB ASC 958-605 as a conditional contribution and has recognized \$372,700 as revenue in accompanying statement of activities for the year ended June 30, 2023.

Note G – Retirement Plan

The Organization has adopted a SIMPLE IRA retirement savings plan (the Plan). Any employee who has received at least \$5,000 in compensation during the prior year is eligible to participate in the Plan. The Organization offers a match that is approved by the Board annually. Plan expenses and matching contributions for the years ended June 30, 2024 and 2023, amounted to \$15,677 and \$14,722, respectively

FAMILY PROMISE OF GALLATIN VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS

Note H – Contributed Nonfinancial Assets

For the years ended June 30, 2024 and 2023, contributed nonfinancial assets recognized within the statement of activities included:

	<u>2024</u>	<u>2023</u>
Building and land	\$ 0	\$ 565,000
Vehicle	0	12,000
Advertising	0	1,305
Contracted services	7,260	12,185
Facilities expenses	0	55,155
Guest expenses	131,633	71,843
Printing and copying	0	50
Supplies	0	51,945
Travel and conferences	<u>0</u>	<u>2,300</u>
Total contributed nonfinancial assets	<u>\$ 138,893</u>	<u>\$ 771,783</u>

Family Promise of Gallatin Valley, Inc. recognized contributed nonfinancial assets within revenue, including contributed rent, supplies, and services. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed supplies were utilized by various programs ran by the Organization. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar services.

Note I – Lease Income

The Orgnaization leases several properties to families as part of the shelter and provisions program. Terms of the lease agreements are month-to-month and monthly payments vary by each family. Total rental income amounted to \$174,569 and \$27,677 for the years ended June 30, 2024 and 2023, respectively.

FAMILY PROMISE OF GALLATIN VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS

Note J – Net Assets

The detail of the Organization’s net asset categories at June 30, are as follows:

	<u>2024</u>	<u>2023</u>
Without donor restrictions:		
Undesignated	\$ 4,548,674	\$ 5,248,188
With donor restrictions:		
Net assets with purpose restrictions:		
Language Access		3,942
Prevention and Diversion		10,978
Sunrise Home	6,437	11,174
A Journey Home	1,558,796	40,000
Other		<u>2,755</u>
Total Purpose Restricted	<u>1,565,233</u>	<u>68,849</u>
Net Assets with perpetual nature:		
Beneficial interest in assets held by One Valley Community Foundation	<u>94,736</u>	<u>25,869</u>
Total With Donor Restrictions	<u>1,659,969</u>	<u>94,718</u>
Total net assets	<u>\$ 6,208,643</u>	<u>\$ 5,342,906</u>

Note K – Related Party Transactions

The Organization receives support, in the form of donations, from members of the Board of Directors on a periodic basis to help fund the Organization's mission. Support from board members totaled \$11,026 and \$61,659 for the years ended June 30, 2024 and 2023, respectively. Pledges receivable from board members as June 30, 2023, amounted to \$15,000.

The Organization is required to pay an affiliate fee each January to the national Family Promise Foundation based on prior-year operating expenses. The amount the Organization paid to the Family Promise Foundation for the years ended June 30, 2024 and 2023 was \$8,950 and \$6,750, respectively.