



Financial Statements

Family Promise of Gallatin Valley, Inc.
(a non-profit organization)

For the years ended June 30, 2025 and 2024



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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, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Family Promise of Gallatin Valley, Inc. as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

- 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

We have previously audited the Family Promise of Gallatin Valley, Inc.'s 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 31, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by the Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for the purpose 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.

Other Reporting Requirements by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2026, on our consideration of Family Promise of Gallatin Valley, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Family Promise of Gallatin Valley, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance *with Government Auditing Standards* in considering Family Promise of Gallatin Valley, Inc.'s internal control over financial reporting and compliance.

Sorren CPAs P.C.

Meridian, Idaho
February 10, 2026

FAMILY PROMISE OF GALLATIN VALLEY, INC.**STATEMENTS OF FINANCIAL POSITION**

June 30, 2025

With Comparative Totals as of June 30, 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,416,275	\$ 2,015,596
Accounts receivable	1,469	1,469
Grants receivable	16,574	28,061
Pledges receivable – current portion	93,461	97,000
Other current assets	<u>1,828</u>	<u>7,906</u>
Total Current Assets	1,529,607	2,150,032
Other Assets		
Pledges receivable, net of current portion	70,000	70,000
Property, plant and equipment, net	11,887,006	11,281,319
Beneficial interest in assets held by One Valley Community Foundation	<u>99,742</u>	<u>94,736</u>
Total Assets	<u>\$ 13,586,355</u>	<u>\$ 13,596,087</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 145,442	\$ 100,350
Accrued and withheld payroll costs	147,627	126,809
Accrued interest	5,530	25,737
Stepping Stone savings deposits	31,675	29,735
Current portion of long-term debt	<u>179,829</u>	<u>171,139</u>
Total Current Liabilities	510,103	453,770
Other Liabilities		
Long-term debt, net of current portion	<u>5,826,557</u>	<u>6,933,674</u>
Total Liabilities	6,336,660	7,387,444
Net Assets		
Without donor restrictions	6,334,466	4,548,674
With donor restrictions	<u>915,229</u>	<u>1,659,969</u>
Total Net Assets	<u>7,249,695</u>	<u>6,208,643</u>
Total Liabilities and Net Assets	<u>\$ 13,586,355</u>	<u>\$ 13,596,087</u>

See notes to financial statements.

FAMILY PROMISE OF GALLATIN VALLEY, INC.
STATEMENTS OF ACTIVITIES
For the Year Ended June 30, 2025
With Comparative Totals for the Year Ended June 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2025 Total</u>	<u>2024 Total</u>
Revenues and Support				
Contributions	\$ 885,656	\$ 84,006	\$ 969,662	\$ 1,276,944
Grants	2,233,490	325,114	2,558,604	2,294,848
Tuition	1,136,956		1,136,956	970,695
Special events and fundraisers	161,922		161,922	25,282
Contributed nonfinancial assets	120,791		120,791	138,893
Rental income	237,877		237,877	174,569
Other income	<u>75,868</u>		<u>75,868</u>	<u>13,698</u>
	4,852,560	409,120	5,261,680	4,894,929
Net assets released from restrictions	<u>1,153,860</u>	<u>(1,153,860)</u>	<u>0</u>	<u>0</u>
Total Revenue and Other Support	6,006,420	(744,740)	5,261,680	4,894,929
Expenses				
Prevention and diversion	249,935		249,935	134,224
Shelter and provisions	407,643		407,643	409,056
Preparation and stabilization	111,026		111,026	251,646
Community initiatives	52,000		52,000	59,643
Early learning	2,131,377		2,131,377	1,871,259
Journey home	578,920		578,920	771,103
Workforce housing	<u>127,705</u>		<u>127,705</u>	<u>0</u>
Total program services	3,658,606		3,658,606	3,496,931
General and administrative	195,377		195,377	268,739
Fundraising	<u>366,645</u>		<u>366,645</u>	<u>263,522</u>
Total Expenses	<u>4,220,628</u>	<u>0</u>	<u>4,220,628</u>	<u>4,029,192</u>
Change in Net Assets	1,785,792	(744,740)	1,041,052	865,737
Net Assets				
Beginning of Year	<u>4,548,674</u>	<u>1,659,969</u>	<u>6,208,643</u>	<u>5,342,906</u>
End of Year	<u>\$ 6,334,466</u>	<u>\$ 915,229</u>	<u>\$ 7,249,695</u>	<u>\$ 6,208,643</u>

See notes to financial statements.

FAMILY PROMISE OF GALLATIN VALLEY, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For The Year Ended June 30, 2025
With Comparative Totals For The Year Ended June 30, 2024

	Prevention and Diversion	Shelter and Provisions	Preparation and Stabilization	Community Initiatives	Early Learning	Journey Home	Workforce Housing	Total Program	General and Administrative	Fundraising	2025 Total	2024 Total
Salaries and related costs	\$ 112,375	\$ 232,616	\$ 63,510		\$ 1,470,539		\$ 51,927	\$ 1,930,967	\$ 114,110	\$ 212,845	\$ 2,257,922	\$ 2,013,534
Interest					27,888	314,210		342,098			342,098	346,125
Guest costs	88,701	44,873	38,622	52,000	66,959	9,073	21,600	321,828	159	18,267	340,254	368,260
Contracted services	22,833	26,698	3,496		136,482	31,930	13,379	234,818	3,863	55,079	293,760	390,110
Depreciation		1,075	73		92,072	155,933		249,153	34,846		283,999	273,516
Facilities	6,908	23,726	1,277		37,864	52,797	40,551	163,123	5,595	1,607	170,325	234,507
Awards and grants					163,625			163,625			163,625	119,770
Insurance	12,601	9,926	1,939		67,851			92,317	12,485	3,877	108,679	58,037
Supplies	2,219	58,831	331		21,344	8,959	48	91,732	3,071	4,249	99,052	47,248
Advertising	342	237	53		19,192	75		19,899	2,673	28,774	51,346	59,028
Travel and conference	519	5,572	1,224	0	5,015	282	200	12,812	2,390	5,707	20,909	8,174
Printing and copying	422	107	3		104	420		1,056	3,086	11,090	15,232	15,171
Miscellaneous	3,015	3,982	498		22,442	5,241		35,178	13,099	25,150	73,427	95,711
Total Expenses	\$ 249,935	\$ 407,643	\$ 111,026	\$ 52,000	\$ 2,131,377	\$ 578,920	\$ 127,705	\$ 3,658,606	\$ 195,377	\$ 366,645	\$ 4,220,628	\$ 4,029,191

FAMILY PROMISE OF GALLATIN VALLEY, INC.
STATEMENTS OF CASH FLOWS
For The Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash Flow From Operating Activities		
Change in net assets	\$ 1,041,052	\$ 865,737
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	283,999	273,516
Loss on disposal of property and equipment	4,736	0
Changes in operating assets and liabilities:		
Accounts receivable	0	728
Grants receivable	11,487	175,332
Pledges receivable	3,539	(136,850)
Other assets	1,072	(26,424)
Accounts payable	45,092	71,411
Accrued and withheld payroll costs	20,818	22,138
Accrued interest	(20,207)	25,737
Stepping Stone savings deposits	<u>1,940</u>	<u>26,910</u>
Net Cash Provided (Used) by Operating Activities	1,393,528	1,298,235
Cash Flow From Investing Activities		
Purchase of property and equipment	(894,422)	(71,976)
Cash Flow From Financing Activities		
Principal payments on long-term debt	<u>(1,098,427)</u>	<u>(95,089)</u>
Net Change in Cash and Cash Equivalents	(599,321)	1,131,170
Cash and Cash Equivalents, Beginning of Year	<u>2,015,596</u>	<u>884,426</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,416,275</u>	<u>\$ 2,015,596</u>
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	\$ 362,305	\$ 320,390
Supplemental investments and financing activities		
Purchase of building through issuance of loan payable	\$ 0	\$ 6,514,662

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 licensed 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 assets 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 \$643,418 and \$1,260,799 at June 30, 2025 and 2024, respectively.

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 accretion of the discount in subsequent years is reported 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, 2025 and 2024, 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.

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.

FAMILY PROMISE OF GALLATIN VALLEY, INC.

NOTES TO FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies (Continued)

Compensated Absences

All employees accrue paid time off based on length of continuous service with the Organization. As of June 30, 2025 and 2024, accrued compensated absences amounted to \$59,791 and \$47,401, 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.

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.

Advertising

All advertising costs are expensed as incurred or contributed.

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

Note A – Summary of Significant Accounting Policies (Continued)

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.

Prior Year Comparative Totals

The amounts shown for the year ended June 30, 2024 in the accompanying financial statements are included to provide a basis for comparison with 2025 and present summarized totals only. Accordingly, the 2024 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, 2024, from which the summarized information was derived.

Subsequent Events

Management has evaluated subsequent events through February 10, 2026, 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	\$ 1,416,275
Accounts receivable	1,469
Grants receivable	16,575
Pledge receivable	<u>93,461</u>
Total financial assets available within one year	1,527,780

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

Restricted by donors with purpose restrictions	<u>(915,229)</u>
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Total financial assets available within one year after restriction	<u>\$ 612,551</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, 2025, 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>2025</u>	<u>2024</u>
Land	\$ 947,542	\$ 947,542
Buildings	7,969,559	7,128,520
Lease improvements	3,630,680	3,630,680
Furniture and equipment	129,974	76,591
Vehicles	<u>48,349</u>	<u>53,249</u>
	12,726,104	11,836,582
Less accumulated depreciation	<u>(839,098)</u>	<u>(555,263)</u>
	<u>\$ 11,887,006</u>	<u>\$ 11,281,319</u>

During the year ended June 30, 2025, 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 renovation costs, which are capitalized above, and upon completion in February 2022 the organization signed an 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 at 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, 2025 and 2024, the balance of the endowment agency fund were \$29,786 and \$28,343, 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, 2025 and 2024 the balance of the endowment was \$69,956 and \$66,393, respectively.

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, 2025 and 2024, Beneficial Interest in Assets Held by One Valley Community Foundation was \$99,742 and \$94,736, 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, 2023	\$	25,869
Purchases		63,424
Unrealized gains		7,262
Administrative fees		<u>(1,819)</u>
Balance as of June 30, 2024		94,736
Unrealized gains		6,982
Administrative fee		<u>(1,976)</u>
Balances as of June 30, 2025	<u>\$</u>	<u>99,742</u>

Note E – Long Term Debt Payable

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

	<u>2025</u>	<u>2024</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.	\$ 562,171	\$ 625,102
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.	4,819,215	5,479,711
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>625,000</u>	<u>1,000,000</u>
	6,006,386	7,104,813
Less current portion	<u>(179,829)</u>	<u>(171,139)</u>
Net long term debt payable	<u>\$ 5,826,557</u>	<u>\$ 6,933,674</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 June 30, 2025, are as follows:

2026	\$	179,829
2027		814,420
2028		199,076
2029		217,313
2030		229,017
Thereafter		<u>4,366,731</u>
	\$	<u>6,006,386</u>

Note F – 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, 2025 and 2024, amounted to \$21,496 and \$15,677, respectively.

Note G – Contributed Nonfinancial Assets

For the years ended June 30, 2025 and 2024, contributed nonfinancial assets recognized within the statement of activities included:

		<u>2025</u>	<u>2024</u>
Contracted services	\$	19,709	\$ 7,260
Facilities expenses		21,600	21,600
Guest expenses		<u>79,482</u>	<u>110,033</u>
Total contributed nonfinancial assets	\$	<u>120,791</u>	<u>\$ 138,893</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.

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

Note G – Contributed Nonfinancial Assets (continued)

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 H – Lease Income

The Organization 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 \$237,877 and \$174,569 for the years ended June 30, 2025 and 2024, respectively.

Note I – Net Assets

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

	<u>2025</u>	<u>2024</u>
Without donor restrictions:		
Undesignated	\$ 6,334,466	\$ 4,548,674
With donor restrictions:		
Net assets with purpose restrictions:		
Sunrise Home	0	6,437
A Journey Home	713,665	1,558,796
Harnish Project	77,256	0
Big Sky	17,500	0
Other	7,066	0
Total Purpose Restricted	<u>815,487</u>	<u>1,565,233</u>
Net Assets with restrictions perpetual in nature:		
Beneficial interest in assets held by One Valley Community Foundation	<u>99,742</u>	<u>94,736</u>
Total With Donor Restrictions	<u>915,229</u>	<u>1,659,969</u>
Total net assets	<u>\$ 7,249,695</u>	<u>\$ 6,208,643</u>

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

Note J – 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 \$17,706 and \$11,026 for the years ended June 30, 2025 and 2024, respectively.

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, 2025 and 2024 was \$10,069 and \$8,950, respectively.

SUPPLEMENTARY INFORMATION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Family Promise of Gallatin Valley, Inc (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 10, 2026.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Sorren CPAs P.C.

Meridian, Idaho
February 10, 2026

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance 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 relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Family Promise of Gallatin Valley, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Family Promise of Gallatin Valley, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Family Promise of Gallatin Valley, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control Over Compliance

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

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Sorren CPAs P.C.

Meridian, Idaho
February 10, 2026

FAMILY PROMISE OF GALLATIN VALLEY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2025

<u>Federal Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Agency Number</u>	<u>Federal Expenditures</u>
U.S. DEPARTMENT OF AGRICULTURE			
Pass Through Programs Through:			
Montana Office of Public Instruction			
Child and Adult Care Food Program	10.558	N/A	\$ 44,745
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:			
Pass Through Programs Through:			
Montana Department of Commerce			
Home Investment Partnership Program	14.239	MT-HOME-ARP-23-05A	750,000
Community Development Block Grant	14.228	MT-CDBG-HSG-23-03	<u>742,219</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>1,492,219</u>
Total expenditures of federal awards			<u>\$ 1,536,964</u>

See notes to schedule of expenditures of federal awards.

FAMILY PROMISE OF GALLATIN VALLEY, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of Family Promise of Gallatin Valley, Inc. under programs of the federal government for the year ended June 30, 2025. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Family Promise of Gallatin Valley, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Family Promise of Gallatin Valley, Inc.

Note B – Summary of Significant Policies

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

Note C – Indirect Cost Rate

Family Promise of Gallatin Valley, Inc. has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

FAMILY PROMISE OF GALLATIN VALLEY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2025

Section I – Summary of Audit Results

Financial Statements:

Type of auditors' report issued:		Unmodified	
Internal control over financial reporting:			
• Material weakness identified?	_____ yes	<u> X </u> no	
• Significant deficiencies identified that are not considered to be material weaknesses?	_____ yes	<u> X </u> none reported	
Noncompliance material to the financial statements noted?	_____ yes	<u> X </u> no	

Federal Awards:

Internal control over major programs:			
• Material weakness identified?	_____ yes	<u> X </u> no	
• Significant deficiencies identified that are not considered to be material weaknesses?	_____ yes	<u> X </u> none reported	
Type of auditors' report issued on compliance for major programs:		Unmodified	
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance 2 CFR 200.516?	_____ yes	<u> X </u> no	

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program</u>
14.239	Home Investment Partnership Program

Dollar threshold used to distinguish between type A and type B programs:	\$ 750,000
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Auditee qualified as a low-risk auditee?	_____ yes	<u> X </u> no
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FAMILY PROMISE OF GALLATIN VALLEY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For the Year Ended June 30, 2025

Section II – Financial Statement Findings

No findings related to the financial statements were noted which would be required to be reported under generally accepted governmental auditing standards (GAGAS).

Section III – Federal Award Findings and Questioned Costs

No findings related to the federal awards were noted which would be required to be reported under generally accepted governmental auditing standards (GAGAS) and the Uniform Guidance.

FAMILY PROMISE OF GALLATIN VALLEY, INC.
SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2025

There were no prior audit findings, whether resolved or unresolved, were identified for Family Promise of Gallatin Valley, Inc.