

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

FINANCIAL STATEMENTS

June 30, 2024



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, 2024, 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, 2024, 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 (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 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 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.

In performing an audit in accordance with GAAS and *Government 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 consolidated financial statements as a whole. The supplementary consolidating information appearing on pages 29-30 and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and related notes on pages 19-20 is presented for the purpose of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the supplementary information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



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Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2025, on our consideration of the Home and Foundation'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 solely 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 Home and Foundation'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 the Home and Foundation's internal control over financial reporting and compliance.

Puzdrak and Stortz LLC

Sacramento, California

March 24, 2025

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

JUNE 30, 2024

Assets	
Cash and cash equivalents	\$ 1,493,048
Investments	716,636
Patient and accounts receivable, net	80,788
Grants receivable	924,537
Prepaid expenses and other assets	4,854
Cash surrender value of life insurance	79,383
Property and equipment, net	<u>10,664,189</u>
Total assets	\$ <u>13,963,435</u>
 Liabilities and Net Assets	
Accounts payable	\$ 3,832,994
Accrued salaries	59,914
Accrued payroll taxes and benefits	38,136
Accrued vacation	185,056
Contract liabilities	10,389
Planned gift liability	2,069
Refundable advance liability	8,674
Line of credit	<u>105,719</u>
Total liabilities	4,242,951
Commitments and contingencies	-
 Net Assets	
Without donor restrictions	2,113,197
With donor restrictions	<u>7,607,287</u>
Total net assets	<u>9,720,484</u>
Total liabilities and net assets	\$ <u>13,963,435</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, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Patient service revenue, net of contractual and bad debts	\$ 726,970	\$ -	\$ 726,970
Fee for service	329,160	-	329,160
Agency contracts	1,177,375	-	1,177,375
Contributions and grants	552,363	3,112,686	3,665,049
Contributions of nonfinancial assets	139,675	-	139,675
Special events revenue, net of \$197,090 of direct benefits to donors	188,549	-	188,549
Investment return, net	10,386	124,411	134,797
Gain (loss) on sale of assets	(17,661)	1,988,788	1,971,127
Other income	60,842	-	60,842
Change in value of split interest agreements and cash surrender values	2,391	-	2,391
<i>Net assets released from restrictions</i>	534,094	(534,094)	-
Total support and revenue	3,704,144	4,691,791	8,395,935
Expenses:			
Program services	2,930,695	-	2,930,695
Management and general	555,669	-	555,669
Fundraising	452,511	-	452,511
Total expenses	3,938,875	-	3,938,875
Change in net assets	(234,731)	4,691,791	4,457,060
Net assts, beginning of year	2,347,928	2,915,496	5,263,424
Net assts, end of year	\$ 2,113,197	\$ 7,607,287	\$ 9,720,484

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, 2024

	Program Services	Management and General	Fundraising	Cost of Direct Benefits to Donors	Total
Salaries and wages	\$ 1,822,706	\$ 259,229	\$ 289,567	\$ -	\$ 2,371,502
Employee benefits	105,454	29,880	10,302	-	145,636
Payroll taxes	144,704	19,930	22,298	-	186,932
Total personnel expenses	2,072,864	309,039	322,167	-	2,704,070
Accounting	91,145	22,957	6,661	-	120,763
Professional services	113,265	9,849	27,394	-	150,508
Equipment	11,317	23,580	55	-	34,952
Advertising and marketing	7,763	3,319	21,670	-	32,752
Occupancy	266,923	8,050	5,170	-	280,143
Printing	4,968	3,064	10,663	-	18,695
Postage	150	430	4,621	-	5,201
Maintenance	77,542	5,141	4,834	-	87,517
Depreciation	14,376	104,385	-	-	118,761
Board	-	72	-	-	72
Insurance	86,956	13,653	6,753	-	107,362
Dues and subscriptions	10,930	1,014	2,887	-	14,831
Education and training	12,397	3,868	299	-	16,564
Other	130	-	1,232	-	1,362
Meals	58,228	240	78	-	58,546
Supplies	31,922	11,438	2,901	-	46,261
Educational program	40,634	5,793	20,049	-	66,476
Travel	29,067	5,650	3,457	-	38,174
Fees	118	6,796	11,620	-	18,534
Cost of direct benefits to donors	-	-	-	197,090	197,090
Interest expense	-	17,331	-	-	17,331
	2,930,695	555,669	452,511	197,090	4,135,965
Less expenses included with revenues on the consolidated statement of activities					
Cost of direct benefits to donors	-	-	-	(197,090)	(197,090)
Total expenses included in the expense section on the consolidated statement of activities	\$ 2,930,695	\$ 555,669	\$ 452,511	\$ -	\$ 3,938,875

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, 2024

Cash flows from operating activities:	
Change in net assets	\$ 4,457,060
<i>Adjustments to reconcile change in net assets to net cash provided by operating activities:</i>	
Depreciation	118,761
Realized and unrealized (gain) loss on investments	(62,563)
Non-cash donation of investments	(50,632)
Gain on sale of property and equipment	(2,168,259)
Changes in operating assets and liabilities:	
Patient and accounts receivable, net	(79,480)
Grants receivable	(822,567)
Prepaid expenses and other assets	(1,980)
Cash surrender value of life insurance	(2,391)
Accounts payable	(45,372)
Accrued salaries	20,027
Accrued payroll taxes and benefits	33,570
Accrued vacation	125,534
Contract liabilities	10,389
Refundable advance liability	2,393
Net cash provided by operating activities	1,534,490
Cash flows from investing activities:	
Proceeds from sale of investments	(100,946)
Purchase of investments	100,734
Proceeds from sale of property and equipment	2,695,000
Purchase of property and equipment	(2,925,941)
Net cash (used in) investing activities	(231,153)
Cash flows from financing activities:	
Principal payments on long-term debt	(443,285)
Payments on line of credit	(10,201)
Net cash (used in) financing activities	(453,486)
Net change in cash and cash equivalents	849,851
Cash and cash equivalents, beginning of year	643,197
Cash and cash equivalents, end of year	\$ 1,493,048
<u>SUPPLEMENTARY INFORMATION:</u>	
Cash paid for income taxes	\$ -
Cash paid for interest	\$ 14,792
Accounts payable for property and equipment	\$ 3,682,846

See accompanying notes to the financial statements.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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, 2024, 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 \$139,675 in contributions of nonfinancial assets for the year ended June 30, 2024. 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

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
AND FLORENCE CRITTENTON HOME AND SERVICES FOUNDATION**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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 \$32,752 for the year ended June 30, 2024.

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, 2024. 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.

New Accounting Pronouncements - In June 2016, the FASB issued a new standard to replace the incurred loss impairment methodology under current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. We adopted the standard effective July 1, 2023. We use a forward-looking expected credit loss model for accounts receivable and other financial instruments. The adoption of the standard did not have a material impact on our financial statements.

**FLORENCE CRITTENTON HOME AND SERVICES
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NOTES TO CONSOLIDATED 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, 2024, the Home and Foundation had \$859,309 in excess of FDIC and SIPC coverage. 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, 2024, and related returns for the year then ended consisted of the following:

		Cost		Market
Equity securities	\$	133,423	\$	167,927
Mutual funds		150,464		188,248
Exchange-traded funds		85,710		111,235
Certificates of deposit		125,000		124,771
Corporate bonds		99,059		99,490
US government obligations		24,991		24,965
Total	\$	618,647	\$	716,636

Investment Return, Net for the year ended June 30, 2024 consists of:

Interest & dividends	\$	79,912
Realized gains (losses)		(4,551)
Unrealized gains (losses)		67,114
Fees		(7,678)
Total investment return, net	\$	134,797

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.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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.

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
AND FLORENCE CRITTENTON HOME AND SERVICES FOUNDATION**

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, 2024			
	Level 1	Level 2	Level 3	Total
Equity securities	\$ 167,927	\$ -	\$ -	\$ 167,927
Mutual funds	188,248	-	-	188,248
Exchange-traded funds	111,235	-	-	111,235
Certificates of deposit		124,771	-	124,771
Corporate bonds		99,490	-	99,490
US government obligations		24,965	-	24,965
Total assets at fair value	\$ 467,410	\$ 249,226	\$ -	\$ 716,636

NOTE 5: PROPERTY AND EQUIPMENT:

Property and equipment, net consist of the following at June 30, 2024:

Building and improvements	\$ 3,547,656
Vehicles	56,420
Furniture and office equipment	11,416
Construction in progress	7,314,112
	10,929,604
Less: accumulated depreciation	(265,415)
Total property and equipment, net	\$ 10,664,189

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, 2024. The line of credit is collateralized by all machinery, equipment, furniture, fixtures, receivables and inventory. As of June 30, 2024, \$15,490, was outstanding on the line of credit.

NOTE 7: LONG-TERM DEBT

On October 4, 2023, the note payable with First Interstate Bank, was paid-off.

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.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9: CONCENTRATIONS

The Home has several contracts with the Montana State Department of Public Health and Human Services Child and Family Services Division. The contract terms are generally annual or bi-annual. The revenue generated by the contracts comprised 12% of the total revenues and support of the Home and Foundation for the year ending June 30, 2024. The related receivable amounts for the contracts were 42% of the total grants receivable for the year ended June 30, 2024. The contract may be terminated at any time upon the written notice of either party. This concentration makes the Home vulnerable to the risk of near-term severe impact if the contract were terminated or other party is otherwise not able to perform.

NOTE 10: 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 \$24,150 for the year ended June 30, 2024.

NOTE 11: NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions are restricted for the following purposes or periods at June 30, 2024:

Subject to the Expenditure for Specified Purpose:	
Program and operations related	\$ 193,037
Florence Crittenton Home and Services Foundation	2,733,272
Building campaign	4,642,350
	7,568,659
Endowments:	
Perpetual in nature, earnings from which are subject to endowment spending policy appropriation:	
General use	252,575
Total Endowments:	252,575
Total Net Assets With Donor Restrictions:	\$ 7,824,234

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:

Purpose Restrictions Accomplished:	
Florence Crittenton Home and Services Foundation	\$ 484,228
Program and operations related	49,866
Total Restrictions Released	\$ 534,094

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12: 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.

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, 2024, 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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Changes in Endowment net assets for the year ended June 30, 2024 are as follows:

		Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$	-	\$ 252,575	\$ 252,575
Investment return, net		-	21,073	21,073
Appropriation of endowment assets pursuant to spending-rate policy		-	(21,073)	(21,073)
Endowment net assets, end of year	\$	-	\$ 252,575	\$ 252,575

NOTE 13: AVAILABILITY AND LIQUIDITY:

The following represents the Organization's financial assets at June 30, 2024:

Financial assets at year end:	
Cash and cash equivalents	\$ 1,493,048
Investments	716,636
Patient and accounts receivable, net	80,788
Grants receivable	924,537
Total financial assets	3,215,009
Less amounts not available to be used within one year:	
Contractual or donor-imposed restrictions:	
Restricted by donor with purpose restrictions	3,178,884
Contract liabilities	10,389
	3,189,273
Financial assets available to meet general expenditures within one year	\$ 25,736

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

NOTE 14: SUBSEQUENT EVENTS:

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through March 24, 2025, 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**

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED JUNE 30, 2024

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identification Number</u>	<u>Total Expenditures</u>
U.S. Department of Health and Human Services -			
Pass-through program from the State of Montana, Department of Public Health and Human Services			
Child Care and Development Fund (CCDF) Cluster			
Child Care and Development Block Grant	93.575	23-25-8-51-820-0	\$ <u>685,953</u>
Total CCDF Cluster			<u>685,953</u>
Pass-through program from the State of Montana, Department of Public Health and Human Services			
SAMHSA State Pilot Grant Program	93.243	21-102-74502-0	139,399
Pass-through program from the State of Montana, Department of Public Health and Human Services			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	21-102-74312-0	20,683
Pass-through program from the State of Montana, Department of Public Health and Human Services			
Maternal, Infant, and Early Childhood Home Visiting Grant Program	93.870	24-25-5-41-172-0	<u>183,553</u>
Total U.S. Department of Health and Human Services			<u>1,029,588</u>
U.S. Department of Housing and Urban Development -			
Pass-through program from Montana Department of Commerce			
Community Development Block Grant Economic Development	14.228	MT-CDBG-23ED-01	351,183
Home Investment Partnerships Program	14.239	MT-HOME-23-03	<u>1,269,664</u>
Total U.S. Department of Housing and Urban Development			<u>1,620,847</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ <u>2,650,435</u>

See accompanying notes to schedule of expenditures of federal awards.

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

**NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS**

NOTE 1: BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Florence Crittenton Home and Services under programs of the federal government for the year ended June 30, 2024 and is presented on the accrual basis of accounting. 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 Florence Crittenton Home and Services, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Florence Crittenton Home and Services.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING 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 3: INDIRECT COST RATE:

Florence Crittenton Home and Services. has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

COMPLIANCE REPORTS



INDEPENDENT AUDITOR'S 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

Board of Trustees

**Florence Crittenton Home and Services
and Florence Crittenton Home and
Services Foundation Helena, 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 Florence Crittenton Home and Services (the "Home") Florence Crittenton Home and Services Foundation (the "Foundation"), (a nonprofit organization), 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, and have issued our report thereon dated March 24, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Home and Foundation's internal control over financial reporting (internal control) as a basis for designing audit 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 the Home and Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Home and Foundation'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Home and Foundation's financial statements are free from 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*.



Puzdrak and Stortz LLC

plan-prepare-perform

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 the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Puzdrak and Stortz LLC

Sacramento, California
March 24, 2025

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Florence Crittenton Home and Services 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 Florence Crittenton Home and Services major federal programs for the year ended June 30, 2024. Florence Crittenton Home and Services 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, Florence Crittenton Home and Services complied, in all material respects, with the types of 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, 2024.

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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Florence Crittenton Home and Services 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 Florence Crittenton Home and Services 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 Florence Crittenton Home and Services 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 Florence Crittenton Home and Services 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 generally accepted auditing standards, *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 Florence Crittenton Home and Services compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Florence Crittenton Home and Services compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Florence Crittenton Home and Services 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 Florence Crittenton Home and Services 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.

Sacramento, California
March 24, 2025

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

yes no

Significant deficiency (ies) identified?

yes none reported

Noncompliance material to financial statements noted?

yes no

Federal Award

Internal control over major programs:

Material weakness(es) identified?

yes no

Significant deficiency (ies) identified?

yes 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 2 CFR section 200.516(a)

yes no

Identification of major programs:

Federal Assistance Listing Number(s)

Name of Federal Program or Cluster

14.239

Home Investment Partnerships Program

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

yes no

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2024

CURRENT YEAR FINDINGS

Section II - Financial Statement Findings

None noted.

Section III - Federal Award Findings and Questioned Costs

None noted.

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

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023**

FINDING #2023-001

Condition:

Florence Crittenton Home and Services (FCHS) did not correctly determine subrecipient versus contractor status for certain grants, leading to an initial misclassification in the Schedule of Expenditures of Federal Awards (SEFA).

Recommendation:

The auditor recommended that FCHS review all contracts before the end of the fiscal year to ensure all funds received have the appropriate contracts from state and federal awarding entities, and that the organization begin SEFA preparation immediately following the end of the fiscal year to ensure it includes all federal funds expended and is completed prior to the start of audit procedures.

Current Status:

FCHS has taken the following actions to correct this finding:

- FCHS reviewed all current FY24 contracts and confirmed their status.
- FCHS confirms subrecipient status with awarding agencies for all new grants upon receipt.
- Quarterly reports on grant spending are prepared for the board.
- FCHS will undergo quarterly fiscal reviews by a third-party accounting firm.
- A third-party accounting firm assisted in audit preparation and SEFA reporting.
- No similar findings were noted in the FY2024 audit.

**Finding 2023-002: U.S. Department of Public Health
and Human Services
Child Care and Development Block Grant (CCDBG)
ALN: 93.575**

Condition:

The auditor identified potential misreporting related to the inclusion of the same payroll costs in another grant and in this Stabilization Block Grant in the SEFA.

Recommendation:

The auditor recommended FCHS improve on tracking which federal program funds pay for costs of the organization, in order to prevent duplicate reporting from occurring in the future.

Current Status:

FCHS disagrees with the auditor's assessment, asserting that the Stabilization Block Grant should not have been classified as federal funding and therefore should not have been included in the finding. In addition during FY2024 FCHS has engaged a third-party accounting firm to verify SEFA accuracy. The finding does not warrant further action.

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

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2024

	HOME	FOUNDATION	ELIMINATIONS	TOTAL
Assets				
Cash and cash equivalents	\$ 288,130	\$ 1,204,918	\$ -	\$ 1,493,048
Investments	-	716,636	-	716,636
Patient and accounts receivable, net	80,787	1	-	80,788
Grants receivable	924,537	-	-	924,537
Notes receivable - related party	-	1,085,561	(1,085,561)	-
Due from related party	19,200	-	(19,200)	-
Prepaid expenses and other assets	4,854	-	-	4,854
Cash surrender value of life insurance	79,383	-	-	79,383
Property and equipment, net	10,664,189	-	-	10,664,189
Total assets	\$ 12,061,080	\$ 3,007,116	\$ (1,104,761)	\$ 13,963,435
Liabilities and Net Assets				
Accounts payable	\$ 3,832,994	\$ -	\$ -	\$ 3,832,994
Accrued salaries	59,914	-	-	59,914
Accrued payroll taxes and benefits	38,136	-	-	38,136
Accrued vacation	185,056	-	-	185,056
Contract liabilities	10,389	-	-	10,389
Planned gift liability	-	2,069	-	2,069
Refundable advance liability	8,674	-	-	8,674
Line of credit	105,719	-	-	105,719
Due to related party	-	19,200	(19,200)	-
Note payable - related party	1,085,561	-	(1,085,561)	-
Long-term debt, net	-	-	-	-
Total liabilities	5,326,443	21,269	(1,104,761)	4,242,951
Commitments and contingencies	-	-	-	-
Net Assets				
Without donor restrictions	1,899,250	197,132	-	2,096,382
With donor restrictions	4,835,387	2,788,715	-	7,624,102
Total net assets	6,734,637	2,985,847	-	9,720,484
Total liabilities and net assets	\$ 12,061,080	\$ 3,007,116	\$ (1,104,761)	\$ 13,963,435

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, 2024

	HOME			FOUNDATION				
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Eliminations	Total
	Support and revenue:							
Patient service revenue, net of contractual and bad debts	\$ 726,970	\$ -	\$ 726,970	\$ -	\$ -	\$ -	\$ -	\$ 726,970
Fee for service	329,160	-	329,160	-	-	-	-	329,160
Agency contracts	1,177,375	-	1,177,375	-	-	-	-	1,177,375
Contributions and grants	552,363	3,112,686	3,665,049	-	-	-	-	3,665,049
Contributions of nonfinancial assets	139,675	-	139,675	-	-	-	-	139,675
Special events revenue, net of \$197,090 of direct benefits to donors	188,549	-	188,549	-	-	-	-	188,549
Investment return, net	10,386	-	10,386	-	141,226	141,226	(16,815)	134,797
Gain (loss) on sale of assets	(17,661)	-	(17,661)	-	1,988,788	1,988,788	-	1,971,127
Other income	60,842	-	60,842	-	-	-	-	60,842
Change in value of split interest agreements and cash surrender values	2,391	-	2,391	-	-	-	-	2,391
<i>Net assets released from restrictions</i>	<u>49,866</u>	<u>(49,866)</u>	<u>-</u>	<u>484,228</u>	<u>(484,228)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>3,219,916</u>	<u>3,062,820</u>	<u>6,282,736</u>	<u>484,228</u>	<u>1,645,786</u>	<u>2,130,014</u>	<u>(16,815)</u>	<u>8,395,935</u>
Expenses:								
Program services	2,653,478	-	2,653,478	277,217	-	277,217	-	2,930,695
Management and general	562,605	-	562,605	9,879	-	9,879	(16,815)	555,669
Fundraising	452,511	-	452,511	-	-	-	-	452,511
Total expenses	<u>3,668,594</u>	<u>-</u>	<u>3,668,594</u>	<u>287,096</u>	<u>-</u>	<u>287,096</u>	<u>(16,815)</u>	<u>3,938,875</u>
Change in net assets	(448,678)	3,062,820	2,614,142	197,132	1,645,786	1,842,918	-	4,457,060
Net assts, beginning of year	<u>2,347,928</u>	<u>1,772,567</u>	<u>4,120,495</u>	<u>-</u>	<u>1,142,929</u>	<u>1,142,929</u>	<u>-</u>	<u>5,263,424</u>
Net assts, end 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>

See accompanying notes to the financial statements.