FOUNDATION FOR THE DIOCESE OF HELENA, INC. AND CONSOLIDATED ENTITIES

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

June 30, 2025

Puzdrak and Stortz LLC

plan-prepare-perform

FOUNDATION FOR THE DIOCESE OF HELENA, INC.
AND CONSOLIDATED ENTITIES

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INDEPENDENT AUDITOR'S REPORT

The Board of Trustees of
Foundation for the Diocese of Helena, Inc. and Consolidated Entities

Opinion

We have audited the accompanying consolidated financial statements, herein referred to as "financial statements", of Foundation for the Diocese of Helena, Inc. and Consolidated Entities (the "Foundation"), a nonprofit organization, which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities, functional expenses and cash flows 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 financial position of Foundation for the Diocese of Helena, Inc. and Consolidated Entities as of June 30, 2025, and the changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Foundation for the Diocese of Helena, Inc. and Consolidated Entities 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.

Responsibility of Management 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 consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Foundation for the Diocese of Helena, Inc. and Consolidated Entities' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. 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, including omissions, 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Foundation for the Diocese of Helena, Inc. and Consolidated Entities' 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 consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Foundation for the Diocese of Helena, Inc. and Consolidated Entities' 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.

Puzdrak and Stortz LLC

Austin, Texas
March 6, 2026

FOUNDATION FOR THE DIOCESE OF HELENA, INC.
AND CONSOLIDATED ENTITIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of June 30, 2025

ASSETS		
Cash and cash equivalents	$	1,464,409
Investments		341,068
Restricted investments		47,997,275
Pledges receivable		17,387,537
Related party receivables		500
Accounts receivable, net of allowance		14,242
Accrued dividend receivable, net - related party		180,000
Loan receivable, related party		469,178
Beneficial interest in annuities held by related party		279,082
Beneficial interest in charitable remainder trusts		603,021
Other assets		1,020
Property and equipment, net		3,165,955
TOTAL ASSETS	$	71,903,287
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$	46,534
Accrued liabilities		16,421
Earnings and grant distribution payable to related parties		362,202
Grants and distribution payable, from related party capital campaign		14,933,289
Annuity obligations payable		385,319
Net nonfinancial contribution payable - related party		3,516,518
TOTAL LIABILITIES		19,260,283
COMMITMENTS AND CONTINGENCIES		-
NET ASSETS		
Without donor restrictions		222,544
Without donor restrictions - board designated		368,568
Total without donor restrictions		591,112
With donor restrictions		52,051,892
TOTAL NET ASSETS		52,643,004
TOTAL LIABILITIES AND NET ASSETS	$	71,903,287

See accompanying notes to the consolidated financial statements.

FOUNDATION FOR THE DIOCESE OF HELENA, INC.
AND CONSOLIDATED ENTITIES

CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Contributions	$ -	$ 15,946,506	$ 15,946,506
Capital campaign fees	50,000	-	50,000
Investment return, net	-	4,848,380	4,848,380
Release from restrictions to pay campaign expenses	1,122,651	-	1,122,651
Change in value of split interest agreements	-	33,591	33,591
Net amortization of nonfinancial contribution payable - related party	7,796	-	7,796
Endowment and annuity management fees, net	2,000	-	2,000
Net assets released from restrictions	15,555,581	(15,555,581)	-
TOTAL REVENUE, GAINS AND OTHER SUPPORT	16,738,028	5,272,896	22,010,924
EXPENSES			
Program	15,908,408	-	15,908,408
Fundraising	1,176,475	-	1,176,475
Management and general	147,155	-	147,155
TOTAL EXPENSES	17,232,038	-	17,232,038
CHANGE IN NET ASSETS	(494,010)	5,272,896	4,778,886
NET ASSETS AT BEGINNING OF YEAR	1,085,122	46,778,996	47,864,118
NET ASSETS AT END OF YEAR	$ 591,112	$ 52,051,892	$ 52,643,004

See accompanying notes to the consolidated financial statements.

FOUNDATION FOR THE DIOCESE OF HELENA, INC.
AND CONSOLIDATED ENTITIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2025

	Program	Fundraising	Management and General	Total
Advertising / sponsorship	$ 1,250	$ 1,250	$ -	$ 2,500
Automobile / travel	391	268	-	659
Bank Fees	335	-	-	335
Board / committee meetings	-	-	1,676	1,676
Commercial travel	80	-	80	160
Computer and program supplies	3,209	3,209	3,209	9,627
Depreciation	40,767	-	341	41,108
Donor development	1,312	75,242	-	76,554
Grants	15,680,979	-	-	15,680,979
Insurance	527	-	-	527
Legal fees	462	-	-	462
Meals and lodging	617	34	-	651
Office supplies	1,027	1,027	2,139	4,193
Other	-	954	-	954
Postage	1,217	16,590	-	17,807
Printing	2,671	14,329	2,671	19,671
Professional and technical services	56,832	1,015,067	-	1,071,899
Registration fees	643	643	643	1,929
Rent	3,633	3,633	3,633	10,899
Salaries and benefits	110,897	42,670	132,163	285,730
Telephone	600	600	600	1,800
Website	959	959	-	1,918
TOTAL EXPENSES	$ 15,908,408	$ 1,176,475	$ 147,155	$ 17,232,038

See accompanying notes to the consolidated financial statements.

FOUNDATION FOR THE DIOCESE OF HELENA, INC.
AND CONSOLIDATED ENTITIES

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	$ 4,778,886
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation expense	41,108
Gain on uncollectable pledges receivable	(2,820,656)
Donated securities	(754,848)
Realized and unrealized (gain) loss on investments	(3,115,558)
Changes in operating assets and liabilities:	
Pledges receivable	(1,426,097)
Accounts receivable, net of allowance	(2,221)
Campaign receivable	55,712
Grants receivable	4,000
Beneficial interest in annuities held by related party	(2,858)
Beneficial interest in charitable remainder trusts	(36,896)
Accounts payable	12,968
Accrued liabilities	2,877
Earnings and grant distribution payable to related parties	213,271
Grants and distribution payable, from related party capital campaign	5,478,463
Grants and distribution payable, due to related party	(176,678)
Net nonfinancial contribution payable, related party	(7,796)
NET CASH PROVIDED BY OPERATING ACTIVITIES	2,243,677
CASH FLOWS FROM INVESTING ACTIVITIES:	
Cash paid for purchases of investments	(5,806,510)
Proceeds from sale of investments	845,407
Advances made on related party loan receivable	(285,952)
Net cash from annuity obligation	5,723
NET CASH USED IN INVESTING ACTIVITIES	(5,241,332)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,997,655)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4,462,064
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 1,464,409
SUPPLEMENTARY INFORMATION:	
Cash paid for income taxes	$ -
Cash paid for interest	$ -

See accompanying notes to the consolidated financial statements.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Foundation for the Diocese of Helena, Inc. and Consolidated Entities (the "Foundation") is a non-profit corporation. The Foundation's mission is to serve and strengthen the people, parishes, ministries and apostolic mission of the Diocese of Helena ("Diocese"). Activities include:

(a) Building and managing permanent endowments that provide an ongoing source of income to parishes and the Diocese of Helena. With careful management, the resources entrusted to the Foundation continue to grow and that growth translates to improved financial sustainability for our Catholic ministries;

(b) Providing financial support through the Grants Program, the Foundation disburses its financial resources without restrictions to assist parish and Diocesan ministries;

(c) Disbursing funds in accordance with the wishes of donors and in accordance with the goals of the Foundation and applicable laws;

(d) Assisting donors and working with their professional advisors in developing both current and planned lifetime charitable giving strategies in order to minimize income and estate taxes and maximize a financial legacy in perpetuity for both their heirs and the Church in the Diocese of Helena;

(e) Creating long-term funding solutions for programs and ministries of the Diocese of Helena.

A Board of Trustees (the Board) manages the affairs and assets of the Foundation. Trustees are nominated and approved by the Board.

The Foundation for the Diocese of Helena, Inc., also includes the wholly owned subsidiary, Legendary Lodge Holdings, LLC. Legendary Lodge Holdings, LLC is a single member limited liability company.

The Foundation for the Diocese of Helena, Inc., also includes the wholly owned subsidiary, FDOH Mission Advancement, dba Because He First Loved Us, is a single member limited liability company.

Basis of Accounting

The consolidated financial statements of the Foundation have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States (GAAP).

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES – Continued

Basis of Presentation

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Net assets without donor restrictions are the net assets of the Foundation that are not restricted and include all net assets whose use has not been restricted by donors or by law. Board designations, which are voluntary board-approved segregations of net assets for specific purposes, projects, or investments, are also a part of assets without donor restrictions.

Net assets with donor restrictions are subject to donor-imposed stipulations that may or may not be met, either by actions of the Foundation and/or the passage of time. When a restriction expires, net assets with donor restrictions are transferred to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Basis of Consolidation

For financial reporting purposes, the consolidated financial statements include the accounts of Foundation for the Diocese of Helena, Inc. and Consolidated Entities. All material intercompany transactions and accounts have been eliminated.

Estimates

Management uses estimates and assumptions in preparing the consolidated 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, Cash Equivalents and Restricted Cash

The Foundation considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents. From time to time, certain bank accounts that are subject to limited FDIC coverage exceeded their insured limits. At June 30, 2025, there was $496,842, held by the Foundation at financial institutions exceeding federally insured limits.

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 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 statements of activities. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES – Continued

Investment purchases are generally recorded at cost. 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 statements of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law.

Annual endowment administrative fees totaling $401,139 for the year ended June 30, 2025, were assessed to all participants in the investment pool to fund Foundation operations. In the years ended June 30, 2025, the fee was based on 1.25% of the fund's twelve quarter rolling average fund balance. The twelve quarters used were those ending with March 31 of the current fiscal year. This fee income is shown netted against the related expense in the consolidated financial statements.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as observable inputs such as quoted market prices in active markets; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore, requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Accounts Receivable, Net

Accounts receivable are collateralized customer obligations due on normal trade terms requiring payment within 30 days from the invoice date. Collections of accounts receivable are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied to the earliest unpaid invoices.

The estimate of the allowance for credit losses is based on an analysis of historical loss experience, current receivables aging, and management's assessment of current conditions and expected changes during a reasonable and supportable forecast period. The Foundation uses an aging method to estimate allowances for credit losses. Management assesses collectability by pooling receivables with similar risk characteristics and evaluates receivables individually when specific customer balances no longer share those risk characteristics. An allowance for credit losses was not considered necessary at June 30, 2025.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES – Continued

Loan Receivable, Related Party

During the fiscal year ended June 30, 2025, the Foundation loaned the Cathedral of St. Helena an advancement of their capital campaign revenue for construction to the church. An allowance for credit losses was not considered necessary at June 30, 2025. See Note 6.

Pledges Receivable

Unconditional promises to give (pledges) are recorded as receivables in the year pledged. Conditional promises to give are recognized only when the conditions on which they depend are substantially met. Pledges and other promises to give whose eventual uses are restricted by the donors are recorded as increases in net assets with donor restrictions.

The Foundation initially records unconditional promises to give and subsequently carried at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset.

Property and Equipment

All acquisitions and improvements of property and equipment of $1,000 or more, with an estimated useful life longer than one year, are capitalized while all expenditures for repairs and maintenance that do not materially prolong the useful lives of assets are expensed. Purchased property and equipment is carried at cost. Donated property and equipment is carried at the approximate fair value at the date of donation.

Depreciation is computed using the straight-line method over the estimated lives of the assets as follows:

Software	3 years
Building	40 years
Equipment	5-7 years

Accumulated depreciation as of June 30, 2025, was $458,183.

Beneficial Interest in Annuities Held By Related Party

Annuities held by the Roman Catholic Diocese of Helena (RCB) for the benefit of the Foundation include beneficial interests in charitable gift annuities held by RCB, which are carried at the estimated net realizable value to the Foundation. Net estimated realizable value is calculated by subtracting the estimated annuity liability based on the original discount rate and the life expectancy of the donor from the annuity pool investment fair value.

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:

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES – Continued

Charitable and Deferred Gift Annuities

Charitable gift annuities require regularly scheduled 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 consolidated financial statements include a liability representing the present value of the payments required by those contracts over the beneficiaries' expected lives as determined by mortality tables.

Revenue Recognition

Contributions, in-kind contributions and investment income are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Contributions of Nonfinancial Assets

Contributions of gifts of nonfinancial assets are recognized as public support and as a corresponding asset or expense at their estimated fair value on the date of the gift. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with these skills and would otherwise be purchased by the Foundation.

Retirement Plan

Beginning January 1, 2015, the Foundation employees participated in the 401(k) retirement plan, managed by the Foundation which covers all employees who work at least 20 hours per week. Contributions to the Plan are matched dollar for dollar with a maximum of 3% of eligible wages.

Beginning January 1, 2018, the Foundation employees participated in an IRA Simple Plan with the same terms as the 401(k). On January 1, 2025 the Foundation opened a IRA Simple Plan Plus and during fiscal year 2025 all the assets were transferred to the new plan.

Retirement contributions for the years ended June 30, 2025, was $7,642.

Concentrations

Concentrations of credit risk with respect to pledges receivable are minimal due to the large number of contributors comprising the Foundation's contributor base and their dispersion across different industries. The Foundation's contribution income is subject to the general economic conditions of western Montana.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES – Continued

Advertising Costs
Advertising costs are expensed as incurred and were $2,500 during the year ended June 30, 2025.

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 detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include depreciation, as well as personnel costs, professional services, office expenses, insurance, and other, which are allocated on the basis of estimates of time and effort.

Income Taxes
The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. As a result, no provision for income tax is included in the consolidated financial statements. The Foundation's policy is to evaluate the likelihood that its uncertain tax positions will prevail upon examination and is based on the Regulations, Revenue Rulings, and court decisions and other evidence.

Legendary Lodge is a single-member limited liability company owned by the Foundation, which results in Legendary Lodge being treated as a disregarded entity under IRS guidelines. Therefore, there is no requirement for a separate exemption determination and the activities associated with Legendary Lodge are consolidated with the Foundation's preparation and submission of Form 990.

Foundation of the Diocese of Helena-Mission Advancement is a single-member limited liability company owned by the Foundation, which results in Mission Advancement being treated as a disregarded entity under IRS guidelines. Therefore, there is no requirement for a separate exemption determination and the activities associated with Mission Advancement are consolidated with the Foundation's preparation and submission of Form 990.

Uncertainty in Income Taxes
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Foundation to report information regarding its exposure to various tax positions taken by the Foundation. The Foundation has determined whether any tax positions have met the recognition threshold and have measured the exposure to those tax positions. Management believes that the Foundation has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties assessed to the Foundation are recorded in operating expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying financial statements.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES – Continued

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2. Pledges Receivable – Capital Campaign

The Foundation has an ongoing capital campaign administered for the Diocese and parishes, which they receive contributions and pledges receivable on behalf of the Diocese and parishes in Montana. Pledges receivable at June 30, 2025 are as follows and are all scheduled to be collected by the end of June 30, 2034.

Within one year	$	6,382,248
In one to five years		12,413,163
Over five years		192,495
		18,987,906
Adjustment to fair value		(1,600,369)
	$	17,387,537
Pledges receivable	$	14,933,289
Endowment promises to give		4,054,617
	$	18,987,906

NOTE 3. Grants Payable – Capital Campaign

The Foundation is administering a capital campaign for the Diocese and parishes. The majority of the pledges are split 60% to the Diocese campaign elements and 40% to the parish of the donor's choice. There are five parishes that differ from this split: Cathedral of St. Helena, Resurrection University Parish, St. Mary Stevensville, Christ the King, and Our Lady of Mercy. Donors can specify another split if desired.

NOTE 4. Investments and Fair Value Measurements

The Foundation has determined the fair value of its assets and liabilities in accordance with GAAP. This standard establishes a fair value hierarchy, which prioritizes the valuation into three broad levels:

Level 1: Quoted prices in active markets for identical assets or liabilities,

Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities, and

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at June 30, 2025.

Mutual Funds and Exchange Traded Funds: Valued at net asset value (NAV). The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares held by the Foundation at year end. The NAV is quoted in an active market.

Corporate Stocks: Valued at the closing price reported in the active market in which the individual securities are traded.

U.S. Government and Municipal Debt Securities: Valued at the closing price reported on active markets in which the individual or similar securities are traded.

Corporate Debt Securities: Valued at the closing price reported on the active market on which the individual securities are traded.

Money Market Funds: Valued at $1 (cash equivalents).

Pledges receivable: Valued using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset.

Annuity obligations: Valued based on the present value of the expected future cash flows based on the donor or beneficiaries' life expectancies and using applicable federal rates updated annually.

Preferred Investment in Trinity: Valued based on the present value of the expected future cash flows.

NOTE 4. Investments and Fair Value Measurements – Continued

The Foundation uses net asset value (NAV) per share, or its equivalent, such as member units or an ownership interest in partners' capital, as a practical expedient to estimate the fair values of certain hedge funds, private equity funds, funds of funds, and limited partnerships, which do not have readily determinable fair values. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy.

The following tables present the balances of assets measured at fair value on a recurring basis by level within the fair value hierarchy at June 30, 2025:

	Level 1	Level 2	Level 3	Total
Mutual funds	$ 41,087,017	$ -	$ -	$ 41,087,017
Corporate stock	1,766,438	-	-	1,766,438
Corporate debt	467,258	-	-	467,258
U.S. Government obligations	-	609,656	-	609,656
Other	-	-	7,445	7,445
Pledges receivable	-	-	17,387,537	17,387,537
Beneficial interest in annuities held by 3rd party	-	-	279,082	279,082
Beneficial interest in charitable remainder trust	-	-	603,021	603,021
Preferred Investment in Trinity	-	-	4,000,000	4,000,000
Investment measured at NAV	-	-	-	400,529
Total	$ 43,320,713	$ 609,656	$ 22,277,085	$ 66,607,983

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended June 30, 2025:

Balance at July 1, 2024	$ 17,998,651
Investment return, net	41,679
Net change in pledges receivable	4,246,755
Balance at June 30, 2025	$ 22,277,085

Preferred Investment in Trinity

On May 26, 2016, an agreement was made between the Roman Catholic Bishop of Helena (the "Diocese") and Trinity Restoration LLC (the "Company") in which the Diocese exchanged $2,505,653 cash with the Company for an investment, and value per agreement, of $2,652,869 to be held in a non-voting convertible preferred interest in the Company. The Withdrawn Funds shall accrue interest at a rate of 2.5% per annum ("PIK Rate"). The Diocese had the right to transfer this investment and notified the Company of assignment on March 22, 2018. The Foundation now holds all rights and obligations under this agreement.

NOTE 4. Investments and Fair Value Measurements – Continued

The Foundation shall receive a fixed cash dividend of 4.5% per annum. The Company shall pay the Foundation the Cash Dividend within 60 days of the Company's fiscal year end. In the event the Company fails to pay the Cash Dividend in full within the prescribed time period, the unpaid portion of the Cash Dividend shall accrue interest at a rate of 4.5% annum until the unpaid Cash Dividend is paid in full.

The redemption value of this investment shall be the greater of (1) the value of the Net Preferred Interest as if the Net Preferred Interest had been hypothetically converted on a 1:1 basis into common equity of the Company or (2) the total value of the Net Investment Amount plus accrued interest unpaid as of the Redemption Date and Withdrawn Funds plus accrued PIK and accrued Cash Dividends unpaid as of the Redemption Date. The term "Net Preferred Interest" shall mean the fair market value of the Preferred Interest less Cash Dividends paid by the Company prior to the Redemption Date. Fair market value shall be determined by an independent valuation firm chosen by the Diocese and approved by the Company, which Company shall not unreasonably withhold approval.

On June 9, 2016, an agreement was made between the Foundation for the Diocese of Helena and Trinity Restoration LLC (the "Company") in which the Foundation transferred $1,500,000 in exchange for a non- voting convertible preferred interest with the same terms and conditions as the contract outlined above.

As of June 30, 2025, there were accrued dividends in the amount of $1,005,357. Of this amount, $180,000 is expected to be received after June 30, 2025, and was reflected as a receivable as of June 30, 2025. Based on a cash analysis and payout hierarchy as legally defined in the investment contract, the remaining $825,357 as of June 30, 2025 has been recognized as uncollectable.

Investments in certain entities that are measured at fair value using NAV per share as a practical expedient are as follows at June 30, 2025:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Mission Diocese Fund, LLC	$ 400,529	$ -	Quarterly	75 days

Mission Diocese Fund, LLC - is a pooled fund in which the investment strategy mirrors those of Catholic Extension Society's $120 million portfolio, that invests 63% in global equities, 25% in diversifiers and 12% in deflation hedge.

NOTE 5. Beneficial Interest in Charitable Remainder Trusts

Beneficial interest in charitable remainder trusts consist of the following at June 30, 2025:

Margaret Quinn Unitrust	$	222,362
Donor Unitrust		380,659
Totals	$	603,021

The Foundation is named as beneficiary of 100% of the Quinn trust assets; however, 50% of the assets are restricted for support of non-related, non-religious entities. Changes in the market value of the trusts from year to year are shown as changes in the value of split-interest agreements in the consolidated financial statements.

NOTE 6. Property and Equipment, Net

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

Land	$	1,952,403
Buildings		1,630,750
Equipment		40,985
		3,624,138
Less accumulated depreciation		(458,183)
	$	3,165,955

Land and buildings represent the property known as Legendary Lodge. Use of the Legendary Lodge property has been granted to RCB for 100 years (See Note 7). The use of the property is restricted to maintaining the existing Roman Catholic religious and educational use.

NOTE 7. Related Parties

Receivable/Payable

During the fiscal year ended June 30, 2025, the Foundation loaned the Cathedral of St. Helena an advancement of their capital campaign revenue for construction to the church. As of June, 30 2025, $468,678 was outstanding on the loan receivable from the Cathedral.

NOTE 7. Related Parties – Continued

Other Fees and Revenue

Administrative fees paid to and received from the RCB are based on agreements. Rent and annuity administration fees are negotiated each year. For the year ended June 30, 2025, rent paid from the Foundation to the RCB was $10,900. Annuity administration fees paid from the RCB to the Foundation were $2,000 for the years ended June 30, 2025.

The Foundation was paid $50,000 for administering the capital campaign. This is shown on the statement of activities as capital campaign fees. The Foundation also was reimbursed for all campaign expenses, totaling $1,122,650. This is shown on the statement of activities as released from restriction to pay campaign expenses.

Legendary Lodge Activity

On March 17, 2015, the Foundation purchased the property known as Legendary Lodge from RCB. Prior to purchase, the Foundation obtained an independent appraisal of the property (including land, buildings, and improvements) from a commercial real estate appraiser. The Foundation purchased the Legendary Lodge property from RCB in an arms-length transaction for the appraised value of $3,585,000.

In March 2015, the Foundation signed a 100 year agreement with RCB, donating the exclusive use of all buildings, land and water rights of the Legendary Lodge to RCB. The terms of the lease are as follows:

- RCB shall pay the Foundation $1 per year.
- RCB is responsible for maintenance costs and is responsible for loss, liability, damage and expenses, as well as replacement costs coverage, and for maintaining adequate property and liability insurance (reviewed for reasonableness every 3 years), and is responsible for naming the Foundation as an additional insured.
- The use of the property is restricted to maintaining the existing Roman Catholic religious and educational use.

For the year ended June 30, 2015, the Foundation recognized a nonfinancial contribution expense of $3,585,000, representing the fair value of 100 years of usage of the Legendary Lodge, and an offsetting net nonfinancial contribution payable - related party. On an annual basis, the net nonfinancial contribution payable - related party balance will be reduced at an amortized rate of 3% over 100 years, based on the interest rate method.

NOTE 7. Related Parties – Continued

As of June 30, 2025, the net nonfinancial contribution payable – related party balance is $3,516,518. The net amortization of nonfinancial contributions payable – related party balance of $7,796 shown on the consolidated statement of activities, includes the current year amortization of the nonfinancial contribution payable – related party ($113,453), minus the amortization of the discount on nonfinancial contribution payable – related party ($105,657).

NOTE 8. Planned Gift Liabilities

The Foundation accepted charitable gift annuities where the Foundation is a remainder beneficiary in 2025. A liability has been recorded based on the present value of the annuity payments payable to the gift annuitant.

The liability changes each year with receipt of new gifts, payments under contracts, change in trust asset values, and the change in the present value of required payments to beneficiaries. The present value of the estimated future payments was calculated using discount rates applicable at the date of the gift, which ranges from 4.9% to 8.2%, and applicable mortality tables. As of June 30, 2025, the liability was $385,319.

NOTE 9. Board Designated Net Assets

As of June 30, 2025, The Foundation's Board of Directors has designated, from net assets without donor restrictions $368,568 for the purpose of the benefit of parishes.

NOTE 10. Net Assets with Donor Restrictions

Donor restricted net assets are currently available for the following purposes as of June 30, 2025:

Parish	$	4,217,130
Programs		7,311,828
For Catholic affiliated entities from gift annuities		2,864,615
For Catholic affiliated entities from beneficial interest in annuities held by RCB		279,082
Totals	$	14,672,655

Donor restricted net assets are endowed for the following purposes as of June 30, 2025:

Parish	$	9,779,277
Unconditional promises to give for Parish		4,054,617
Programs		23,545,343
Totals	$	37,379,237

NOTE 10. Net Assets with Donor Restrictions - Continued

During the year ended June 30, 2025, $15,555,581 of donor restricted net assets were released from restrictions due to meeting their specified purpose.

NOTE 11. Endowments Funds

Net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Foundation Board has interpreted the Montana Uniform Prudent Management of Institutional Funds Act (MUPMIFA) 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. As a result of this interpretation, the Foundation classifies net assets as having restrictions into perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) any accumulations to the 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 fund that is not classified in net assets restricted into perpetuity is classified as net assets with restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by MUPMIFA.

In accordance with MUPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund;
(2) The purposes of the Foundation and the donor-restricted endowment fund;
(3) General economic conditions;
(4) The possible effect of inflation and deflation;
(5) The expected total return from income and the appreciation of investments;
(6) Other resources of the Foundation; and
(7) The investment policies of the Foundation.

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 a donor or MUPMIFA requires the Foundation to retain as a fund of perpetual duration. As of June 30, 2025, there were no funds with deficiencies.

NOTE 11. Endowments Funds – Continued

For a fund whose balance is less than its original gift value, the Foundation will first send a letter explaining why no distributions will be made for the next fiscal year. If the fund is a parish fund, an opportunity will be provided for both the pastor and finance chair to sign a waiver to allow for distributions. The entire board must then vote on whether to make a distribution according to MUPMIFA and good financial prudence. Administrative fees may also be paid to maintain the fund.

Return Objectives and Risk Parameters

The Foundation has 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 Foundation must hold in perpetuity or for donor-specified periods. The general investment objective is to provide a reasonable current rate of return as well as the potential for long-term growth of income to maintain the purchasing power of the fund over the longer term. The Foundation expects its endowment funds, over time, to provide a reasonable level of current income to support the spending policy authorized by the Board of Trustees and to grow equity assets. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Endowment assets are to be invested in accordance with the Foundation's investment policy, which may be amended from time to time. The investment policy states that all investments must conform to the socially responsible philosophy of the Roman Catholic Church.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation calculates the amount available for charitable distribution from the fund each year based on its 12-quarter rolling average fund balance for funds whose fair value on June 30 exceeds the historic value, multiplied by the distribution rate approved by the Board, currently 4.5%.

NOTE 11. Endowments Funds – Continued

As of June 30, 2025, we had the following endowment net asset composition by type of fund:

Donor restricted endowment funds	
Original donor-restricted and additional gift amounts required to be maintained in perpetuity by donor	$ 33,324,620
Unconditional promises to give for Parish	4,054,617
Accumulated investment gains (losses)	-
Total donor-restricted endowment funds	$ 37,379,237

Changes in endowment net assets for the year ended June 30, 2025:

Endowment net assets, beginning of year	$ 27,582,357
Contributions	5,705,414
Increase in charitable remainder trusts	36,849
Net change in unconditional promises to give for Parish	4,054,617
Endowment net assets, end of year	$ 37,379,237

NOTE 12. Liquidity and Availability of Financial Resources

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

Financial assets at year-end:	
Cash and cash equivalents	$ 1,464,409
Investments	341,068
Restricted investments	47,997,275
Pledges receivable	17,387,537
Related party receivables	500
Accounts receivable, net	14,242
Accrued dividend receivable	180,000
Loan receivable	469,178
Total financial assets	67,854,209

NOTE 12. Liquidity and Availability of Financial Resources - Continued

Less amounts not available to be used within one year:		
Contractual or donor-imposed restrictions:		
Restricted by donor with purpose restrictions or endowments		52,051,892
Board designated net assets		368,568
Earnings and grant distribution payable to related parties		362,202
Grants and distribution payable from related party capital campaign		14,933,289
		67,715,951
Financial assets available to meet general expenditures within one year	$	138,258

The Foundation regularly monitors liquidity required to meet its operating needs and other contractual commitments, while striving to maximize the investment of its available funds.

NOTE 13. Subsequent Events

In preparing the financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through March 6, 2026, the date that the financial statements were available to be issued.