OLIVE CREST

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

OLIVE CREST

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Olive Crest

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Olive Crest and its affiliate (collectively, the 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 accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of the report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the 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 consolidated 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 the Organization's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

To the Board of Directors
Olive Crest

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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 the Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information
We have previously audited the Organization's June 30, 2024 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated November 6, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

To the Board of Directors
Olive Crest

Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying Consolidated Schedule of Expenditures of Federal Awards (the Schedule), as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is presented for purposes 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 of America. In our opinion, the Schedule is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2025, on our consideration of the Organization'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 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 Organization's internal control over financial reporting and compliance.

Green Hasson & Janks LLP

November 5, 2025
Los Angeles, California

OLIVE CREST

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
June 30, 2025
With Summarized Totals at June 30, 2024

ASSETS	2025	2024
Cash and Cash Equivalents	$ 20,144,820	$ 12,227,541
Restricted Cash	5,218,700	5,251,881
Investments	6,005,187	5,551,691
Endowment Investments	1,120,442	-
Grants Receivable (Net)	12,863,105	10,555,394
Contributions Receivable (Net)	11,846,105	3,445,184
Other Receivables	61,751	24,483
Prepaid Expenses and Other Assets	1,238,442	1,181,452
Interest Rate Swap Assets	-	464,890
Right-of-Use Assets - Operating	701,927	564,174
Property and Equipment (Net)	34,858,819	30,861,493
TOTAL ASSETS	$ 94,059,298	$ 70,128,183

LIABILITIES AND NET ASSETS

	2025	2024
LIABILITIES:		
Accounts Payable	$ 1,718,248	$ 955,310
Due to Funders	1,268,934	993,833
Accrued Liabilities	724,140	764,970
Accrued Payroll	4,418,566	3,989,205
Other Liabilities	394,290	422,439
Interest Rate Swap Liabilities	50,369	-
Lease Liabilities - Operating	707,733	572,565
Deferred Revenues	699,272	1,015,790
Bonds Payable (Net)	22,379,676	22,918,888
Notes Payable	15,554	56,414
TOTAL LIABILITIES	32,376,782	31,689,414
NET ASSETS:		
Without Donor Restrictions	37,260,876	28,326,526
With Donor Restrictions	24,421,640	10,112,243
TOTAL NET ASSETS	61,682,516	38,438,769
TOTAL LIABILITIES AND NET ASSETS	$ 94,059,298	$ 70,128,183

OLIVE CREST

CONSOLIDATED STATEMENT OF ACTIVITIES
Year Ended June 30, 2025
With Summarized Totals for the Year Ended June 30, 2024

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUES:				
Government Grants	$ 76,003,937	$ -	$ 76,003,937	$ 68,767,373
Contributions	10,128,134	18,070,606	28,198,740	14,545,296
Special Events (Net of Direct Donor Benefits of $1,588,339)	2,785,517	-	2,785,517	1,786,701
In-Kind Contributions	1,685,197	-	1,685,197	1,346,737
Contributions Required to Be Held in Perpetuity	-	1,105,856	1,105,856	-
Rental Income	778,851	-	778,851	734,817
Investment Return (Net)	674,754	14,586	689,340	420,504
Unrealized (Loss) Gain on Interest Rate Swap	(515,259)	-	(515,259)	304,015
Loss on Disposal of Property and Equipment	(326,278)	-	(326,278)	(25,508)
Other Income	127,143	-	127,143	-
Net Assets Released from Donor Restrictions	4,881,651	(4,881,651)	-	-
TOTAL REVENUES	96,223,647	14,309,397	110,533,044	87,879,935
EXPENSES:				
Program Services	71,311,246	-	71,311,246	67,196,884
Management and General	8,739,482	-	8,739,482	7,441,139
Fundraising	7,238,569	-	7,238,569	6,355,139
TOTAL EXPENSES	87,289,297	-	87,289,297	80,993,162
CHANGE IN NET ASSETS	8,934,350	14,309,397	23,243,747	6,886,773
Net Assets - Beginning of Year	28,326,526	10,112,243	38,438,769	31,551,996
NET ASSETS - END OF YEAR	$ 37,260,876	$ 24,421,640	$ 61,682,516	$ 38,438,769

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements

OLIVE CREST

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2025
With Summarized Totals for the Year Ended June 30, 2024

	Program Services					Supporting Services				
	Prevention	Safe Homes	Equipping	Strong Families	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total	2024
Salaries and Wages	$ 2,004,665	$ 13,793,265	$ 16,119,917	$ 8,977,613	$ 40,895,460	$ 3,487,400	$ 3,453,360	$ 6,940,760	$ 47,836,220	$ 45,206,323
Payroll Taxes	143,884	1,072,112	1,220,678	689,425	3,126,099	237,740	256,207	493,947	3,620,046	3,366,331
Employee Benefits	272,015	1,703,383	1,935,694	932,829	4,843,921	512,070	328,318	840,388	5,684,309	4,846,525
TOTAL PERSONNEL COSTS	2,420,564	16,568,760	19,276,289	10,599,867	48,865,480	4,237,210	4,037,885	8,275,095	57,140,575	53,419,179
Foster Care Payments	-	5,015,398	-	-	5,015,398	-	-	-	5,015,398	5,559,626
Professional Fees	108,500	211,769	962,019	77,769	1,360,057	738,430	829,794	1,568,224	2,928,281	2,448,496
Lease Expense	41,099	2,551,857	183,295	109,978	2,886,229	-	20,577	20,577	2,906,806	3,011,651
Client Services and Supplies	359,870	1,431,849	701,833	342,140	2,835,692	52	50,612	50,664	2,886,356	2,707,436
Transportation	23,339	465,478	984,993	319,935	1,793,745	19,653	48,227	67,880	1,861,625	1,886,389
Facilities Maintenance	10,709	613,526	324,155	189,491	1,137,881	651,424	66,396	717,820	1,855,701	1,677,312
Utilities and Telephone	47,002	833,071	379,994	270,708	1,530,775	213,357	83,883	297,240	1,828,015	1,739,823
Insurance	61,522	459,490	511,784	283,183	1,315,979	348,137	104,224	452,361	1,768,340	1,173,579
Gifts In-Kind	93,610	794,554	189,202	135,858	1,213,224	-	471,973	471,973	1,685,197	1,346,737
Depreciation	6,514	500,005	449,037	233,415	1,188,971	287,022	54,725	341,747	1,530,718	1,445,259
Provision for Uncollectible Balances	-	-	-	-	-	1,264,907	-	1,264,907	1,264,907	390,669
Interest	9,712	311,858	247,385	186,373	755,328	249,212	63,800	313,012	1,068,340	938,460
Marketing and Outreach	3,850	17,897	1,778	16,592	40,117	8	861,458	861,466	901,583	827,236
Software Subscriptions	3,513	32,713	52,800	27,486	116,512	347,441	81,300	428,741	545,253	532,736
Scholarships	61,556	71,409	277,092	47,500	457,557	-	-	-	457,557	102,783
Furniture and Equipment	11,451	95,095	90,085	75,969	272,600	33,709	15,929	49,638	322,238	384,256
Meetings	9,251	39,800	21,698	63,570	134,319	34,146	145,251	179,397	313,716	303,552
Office Supplies	23,432	61,338	42,079	47,872	174,721	27,626	59,561	87,187	261,908	204,767
Other	-	1,640	-	29,273	30,913	200,134	28,488	228,622	259,535	353,634
Bank and Gift Processing Fees	-	25	433	-	458	4,171	165,635	169,806	170,264	193,925
Memberships, Dues and Subscriptions	1,294	14,576	17,059	42,242	75,171	45,829	48,239	94,068	169,239	194,148
Licensing	4,421	77,279	19,750	8,669	110,119	37,014	612	37,626	147,745	151,509
TOTAL 2025 FUNCTIONAL EXPENSES	$ 3,301,209	$ 30,169,387	$ 24,732,760	$ 13,107,890	$ 71,311,246	$ 8,739,482	$ 7,238,569	$ 15,978,051	$ 87,289,297	
					82%	10%	8%		100%	
TOTAL 2024 FUNCTIONAL EXPENSES	$ 3,669,131	$ 27,422,065	$ 23,365,183	$ 12,740,505	$ 67,196,884	$ 7,441,139	$ 6,355,139	$ 13,796,278		$ 80,993,162
					83%	9%	8%			100%

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements

OLIVE CREST

CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended June 30, 2025
With Summarized Totals for the Year Ended June 30, 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	$ 23,243,747	$ 6,886,773
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Realized and Unrealized Gains on Investments	(324,803)	(212,590)
Discount on Contributions Receivable	1,856,103	23,684
Provision for Uncollectible Grants and Contributions Receivable	1,264,906	390,670
Unrealized Loss (Gain) on Interest Rate Swap	515,259	(304,015)
Loss on Disposal of Property and Equipment	326,278	115,758
Depreciation	1,530,718	1,445,258
Amortization and Write-off of Debt Issuance Costs	13,593	9,780
Contributions Restricted for Property and Equipment	(15,730,290)	(3,928,505)
Contributions Restricted for Endowments	(1,105,856)	-
(Increase) Decrease in:		
Grants Receivable	(3,429,512)	(1,407,973)
Contributions Receivable	(201,994)	(191,233)
Other Receivables	(37,268)	(24,483)
Prepaid Expenses and Other Assets	(56,990)	303,753
Right-of-Use Assets	397,703	690,864
(Increase) Decrease in:		
Accounts Payable	762,938	(404,949)
Due to Funders	275,101	408,782
Accrued Liabilities	(40,830)	281,437
Accrued Payroll	429,361	103,089
Other Liabilities	(28,149)	18,540
Lease Liabilities	(400,288)	(697,739)
Deferred Revenues	(316,518)	669,371
NET CASH PROVIDED BY OPERATING ACTIVITIES	8,943,209	4,176,272
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of Investments	(4,046,360)	(236,890)
Proceeds from Sales of Investments	2,797,225	94,237
Proceeds from Sales of Property and Equipment	14,209	28,502
Purchases of Property and Equipment	(5,868,531)	(3,951,213)
NET CASH USED IN INVESTING ACTIVITIES	(7,103,457)	(4,065,364)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments of Debt Issuance Costs	-	(103,984)
Payments on Bonds and Notes Payable	(593,665)	(588,788)
Proceeds from Contributions for Property and Equipment	5,532,155	3,928,505
Proceeds from Contributions for Endowments	1,105,856	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	6,044,346	3,235,733
NET INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	7,884,098	3,346,641
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	17,479,422	14,132,781
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	$ 25,363,520	$ 17,479,422

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements

OLIVE CREST

CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended June 30, 2025
With Summarized Totals for the Year Ended June 30, 2024

	2025	2024
RECONCILIATION OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT END OF YEAR		
Cash and Cash Equivalents	$ 20,144,820	$ 12,227,541
Restricted Cash	5,218,700	5,251,881
TOTAL CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT END OF YEAR	$ 25,363,520	$ 17,479,422
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash Paid During the Year for Interest	$ 1,054,747	$ 928,680
SUPPLEMENTAL DISCLOSURE OF NON-CASH FLOW INFORMATION:		
Property and Equipment Financed with Proceeds from Bonds Payable	$ -	$ 3,037,500
Increase in Right-of-Use Assets - Operating	535,456	-
Increase in Lease Liabilities - Operating	535,456	-

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements

NOTE 1 - NATURE OF ORGANIZATION

Olive Crest has been dedicated to preventing child abuse by strengthening, equipping and restoring children and families in crisis - One Life at a Time®. Since 1973, Olive Crest has transformed the lives of over 300,000 children and their families in crisis which is approximately 5,000 children and families daily throughout California, Nevada, and the Pacific Northwest.

Over the years, Olive Crest has grown and evolved into a multi-faceted organization that meets the needs of its communities through a full continuum of care. Olive Crest defines its programs in the following functions:

Prevention - Programs that aim to prevent separation from the biological family. These programs include our hosting programs, parenting education, our drop-in centers, and our family preservation programs.

Safe Homes - Programs that temporarily provide a safe home for a child. These programs include foster care, residential group homes, sibling cottages, and transitional youth housing programs.

Equipping - Programs that provide nonpublic school education and counseling services to children. These programs include our mental health counseling services, independent living skills, and education at Olive Crest Academy.

Strong Families - Programs that provide permanency and community to a child and their family. These programs include community engagement, caregiver support, visitation, in-home services, wraparound, adoption and adoption promotion and support.

Olive Crest Academy K-12 was founded in 1982. It was organized for the purpose of providing youth educational services, vocational training, and therapy for at-risk children. It receives revenues under government fees and grants for its nonpublic school.

Olive Crest's programs believe transformation comes through the healing power of God, family and community. With unwavering compassion, the Olive Crest family maintains a lifelong commitment to the youth and families it serves even after they have graduated from Olive Crest's programs.

Olive Crest is organized as a not-for-profit tax-exempt charitable corporation under Section 501(c)(3) of the Internal Revenue Code. Olive Crest was formed pursuant to the general not-for-profit corporation laws of the State of California.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of Olive Crest and the Olive Crest Abused Children's Foundation (collectively, the Organization). All inter-organizational balances and transactions have been eliminated upon consolidation. For the year-ended June 30, 2025, Olive Crest Abused Children's Foundation was inactive and had no activities.

(b) BASIS OF ACCOUNTING AND PRESENTATION

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The presentation of the Organization's consolidated financial statements follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*.

(c) COMPARATIVE TOTALS

The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended June 30, 2024, from which the summarized information was derived.

(d) CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

The Organization considers all highly liquid investments with original maturities at purchase of three months or less, which are neither held nor restricted for long-term purposes, to be cash and cash equivalents. Restricted cash comprises funds held in separate accounts by third parties or cash held by the Organization on behalf of others.

The Organization maintains its cash and cash equivalents and restricted cash in bank deposit and money market accounts, which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) INVESTMENTS

Investments in marketable securities with readily determinable fair values are reported at fair value. The fair value of investments is valued at the closing price on the last business day of the fiscal year. Alternative investments, for which there is no readily available market, are valued by the Organization using methods that management believes provide a reasonable estimate of fair value. These methods include initial due diligence, assessment of reporting by investment managers, and ongoing monitoring of investment funds by management and the Investment Committee of the Board of Directors.

Securities are held in custodial investment accounts administered by financial institutions. Investment purchases and sales are accounted for on a trade-date basis. Interest income is recorded as earned on an accrual basis, and dividend income is recorded based upon the ex-dividend rate. Realized gains and losses are calculated based upon the underlying cost of the securities traded. Unrealized gains and losses are included in investment return in the consolidated statement of activities and represent the change in the difference between the cost and fair value of investments held at the end of the fiscal year.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Because of the level of risk associated with certain long-term investments, it is reasonably possible that changes in the values of these investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statement of financial position.

(f) GRANTS AND CONTRIBUTIONS RECEIVABLE AND REVENUE RECOGNITION

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barriers and a right of return - are not recognized until the conditions on which they depend have been met. The Organization had conditional contributions totaling $2,486,060 at June 30, 2025, which are contingent on raising matching funds for capital projects.

Contributions are recorded at fair value, and in the case of pledges, are recorded at the present value of their estimated future cash flows. Contributions receivable are discounted to their present value when payments are expected in future periods exceeding one year. These discounts are recorded as reductions to contribution revenue and contributions receivable and are adjusted annually. Discount rates range from 3.52% to 4.90%. The Organization evaluated the collectability of contributions receivable at June 30, 2025 based on historical collection trends, type of customer, the age of outstanding receivables and existing economic conditions and has established an allowance for uncollectible contributions receivable in the amount of $625,280.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) GRANTS AND CONTRIBUTIONS RECEIVABLE AND REVENUE RECOGNITION (continued)

The carrying value of grants receivable, net of the reserve for uncollectible amounts, if any, represents their estimated net realizable value. The reserve for doubtful accounts is estimated based on historical collection trends, type of customer, the age of outstanding receivables and existing economic conditions. If events or changes in circumstances indicate that specific receivable balances may be impaired, further consideration is given to the collectability of those balances and the reserve is adjusted accordingly. Past due balances are written off when internal collection efforts have been unsuccessful in collecting the amount due. At June 30, 2025, the Organization established an allowance for potentially disallowed billings in the amount of $441,039.

Other than contracts with school districts noted below, the Organization's contracts recorded in government grant revenue do not provide commensurate value and thus are considered conditional contributions under ASC 958. Conditions are met on the contributions when specific services are provided, or eligible costs are incurred in compliance with specific contract or grant provisions.

The Organization receives contributions from donors at various special events and through register and bag campaigns with food grocers. Contributions received are considered conditional on the campaigns and events until the event has occurred.

During the year ended June 30, 2025, the Organization changed its policy for reporting donor-restricted contributions whose restrictions are met in the same reporting period as the related revenue is recognized. Previously, such contributions were reported as support within net assets without donor restrictions. Beginning with the year ended June 30, 2025, contributions with donor restrictions are recorded as net assets with donor restrictions when received and then are released from restrictions when gifts are spent for the purpose the donor specified. Management adopted this policy to provide a more transparent presentation of donor-restricted contributions and the related releases from restriction, thereby enhancing the clarity of the Organization's financial reporting of private and community support.

Donor-restricted grants that were initially conditional and whose conditions and restrictions are met in the same reporting period are recognized as revenue without donor restrictions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) GRANTS AND CONTRIBUTIONS RECEIVABLE AND REVENUE RECOGNITION (continued)

In accordance with FASB ASC 606, *Revenue from Contracts with Customers*, the Organization generates revenue from contracts with school districts for Olive Crest Academy and Mental Health Partnerships for Schools programs. The Organization has master contracts with various school districts for the provision of such services for each individual child. Services are generally billed based on a pre-determined rate by the school district on a per unit of service or per child basis. Revenue from contracts with customers is recognized over time during the period of service when the respective performance obligations are satisfied. Total revenues from Olive Crest Academy and Mental Health Partnerships for Schools totaled $10,613,028 during the year ended June 30, 2025, which is included in the government grant revenues in the consolidated statement of activities.

(g) CONCENTRATIONS AND MARKET RISK

Approximately 69% of the Organization's revenue and support is provided by various government agencies. The Organization anticipates that it will continue to run these programs although there can be no assurance that the Organization will be able to obtain future grant agreements upon the expiration of the current term of the contracts. The entire grants receivable balance of $12,863,105 at June 30, 2025 is from such government contracts, and as a result, concentration of credit risk with respect to these receivables is limited.

(h) RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Organization recognizes and measures its leases in accordance with FASB ASC 842, *Leases*. The Organization is a lessee in certain operating leases for facilities and equipment. The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. The Organization recognizes a lease liability and a right-of-use (ROU) asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Effective July 1, 2024, the Organization has elected to use the risk-free rates as the discount rates for all leases executed during the year ended June 30, 2025, and going forward. The rate is determined based on the U.S. Treasury yield curve at the lease commencement date, matched to the lease term. Management believes that the risk-free rates more accurately represent the economic nature of lease liabilities.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

For leases in existence prior to July 1, 2025, the Organization used the incremental borrowing rate for a lease at the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment. The incremental borrowing rate will continue to be used on these leases through the end of the lease term.

The ROU asset is subsequently measured throughout the lease term at the amount of the re-measured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

The Organization has elected, for all underlying classes of assets, to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement, and do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise. The Organization recognizes lease cost associated with short-term leases on a straight-line basis over the lease term.

The Organization leases its facilities under long-term and month-to-month operating leases and recognizes rental income on a straight-line basis over the terms of the respective lease agreements. Unbilled rent receivable or deferred rent revenue are recorded, as appropriate, for the accumulated difference between the cash received and the straight-line rental income.

The Organization determines whether the contract contains a lease at its inception based on whether the contract conveys the right to control the use of identified facilities or equipment for a period of time in exchange for consideration. The classification of the lease as operating or financing is also determined at the inception of the lease contract. If the provisions of the lease change after lease inception, other than by renewal or extension, the Organization evaluates whether that change may have resulted in a different lease classification had the change been in effect at inception. If so, the revised agreement is considered a new lease for lease classification purposes. The Organization’s leases do not contain significant non-lease components.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) DUE TO FUNDERS

The Organization records grantor's overpayments on outstanding grant receivables as a liability, which are included in due to funders on the consolidated statement of financial position. These amounts are disbursed when requested by the funder.

(j) INTEREST RATE SWAPS

The Organization has interest rate swap agreements in order to manage exposure to interest rate fluctuations and to allow the Organization to effectively lock in fixed interest rates for its bonds payable. The accounting and reporting standards for derivative instruments and hedging activities require that all derivative instruments be recorded as either assets or liabilities measured at fair value. The interest rate swap is valued separately from its underlying debt and is accounted for using a mark-to-market basis. As marked fixed rates change over time, existing fixed rate swaps become more or less valuable than at inception, resulting in a mark-to-market value which includes either a gain or a loss.

The fair value of the interest rate swap is estimated using Level 2 inputs, which are based on model-derived valuations in which all significant inputs and significant value drivers are observable in active markets. The estimated market value of the interest rate swap at June 30, 2025 was computed by the counterparty and includes adjustments to reflect counterparty credit risk and the Organization's non-performance credit risk in estimating the fair value.

(k) PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost if purchased or at fair value at the date of donation if donated. Depreciation is computed on a straight-line basis over the estimated useful lives of the related assets in the month the asset is purchased or placed in service for the entire month. Maintenance and repair costs are charged to facilities maintenance expense as incurred. Property and equipment are capitalized if the cost of an asset is greater than or equal to $5,000 and the useful life is greater than one year.

The estimated useful lives are as follows:

Buildings and Improvements	25 Years
Furniture and Equipment	5 Years
Leasehold Improvements	5 Years
Vehicles	5 Years

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) LONG-LIVED ASSETS

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the book value of the assets may not be recoverable. An impairment loss is recognized when the sum of the undiscounted future cash flows is less than the carrying amount of the asset, in which case a write-down is recorded to reduce the related asset to its estimated fair value. The Organization recorded an impairment loss of $326,278 related to houses on its Bellflower property, which are scheduled for demolition in October 2025. These losses were recorded as loss on disposal of property and equipment in the consolidated statement of activities. No other impairment losses were identified by the Organization during the year ended June 30, 2025.

(m) DEBT ISSUANCE COSTS

Debt issuance costs are amortized using the straight-line method over the term of the related bonds payable. Debt issuance costs are netted against the bonds payable balance. The amortization of these costs is included in interest expense.

(n) NET ASSETS

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

- **Net Assets Without Donor Restrictions**. Net assets available for use in general operations and not subject to donor-imposed restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment fund.

- **Net Assets With Donor Restrictions**. Net assets subject to donor-imposed (or certain grantor-imposed) restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

  Contributions received for use at specific regions with no other program restrictions are not considered donor-restricted and are not reported within net assets with donor restrictions. Contributions received for the capital campaign are deemed to be restricted for the construction of facilities, as well as other capital campaign-related costs.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) IN-KIND CONTRIBUTIONS

Contributions of donated non-cash assets are recorded at fair value in the period received. Contributed services are recognized as in-kind revenues at their estimated fair value if they create or enhance non-financial assets or they require specialized skills that would need to be purchased if they were not donated. The Organization also receives a significant number of donated services from unpaid volunteers who assist in fundraising and special projects. No amounts have been recognized in the consolidated statement of activities for these fundraising and special projects services because the criteria for recognition have not been satisfied.

(p) FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the Organization’s programs and other activities have been presented in the consolidated statement of functional expenses. During the year, such costs are accumulated into separate cost centers. Cost centers are considered either program, general and administrative or fundraising for financial reporting purposes. Salaries and benefits are allocated based on time worked in each function supported by timesheets. Depreciation, rent and facilities maintenance are allocated based on square footage of personnel using the facilities and salary allocations. Usage of facilities is remeasured annually and utilized for the entire fiscal year. Other expenses are charged to each function based on review of individual invoices and which costs centers are utilizing the goods or services. The Organization redefined its functions for the year ended June 30, 2025, and reclassified expense for the year ended June 30, 2024 into the new functional categories. Refer to Note 1 for a definition of the Organization’s functions.

(q) INCOME TAXES

The Organization is exempt from taxation under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d.

During the year ended June 30, 2025, the Organization earned rental income from debt-financed property, which is considered to be unrelated to the Organization’s exempt purpose, and any net income earned by the rental property is therefore subject to unrelated business income tax. The rental property generated net income during the year ended June 30, 2025, which is estimated to be offset by the Organization’s net operating loss carry-forward on the rental property. Therefore, no income tax liability has been recorded in the consolidated financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) INCOME TAXES (continued)

In accordance with FASB ASC Topic 740, *Uncertainty in Income Taxes*, the Organization recognizes the impact of tax positions in the consolidated financial statements if that position is more likely than not to be sustained on audit, based on the technical merits of the position. During the year ended June 30, 2025, the Organization performed an evaluation of uncertain tax positions and did not identify any matters that would require recognition in the consolidated financial statements or which might have an effect on its tax-exempt status.

(r) USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues and expenses as of the date and for the period presented. Accordingly, actual results could differ from those estimates.

(s) RECLASSIFICATIONS

For comparability, certain June 30, 2024 amounts have been reclassified, where appropriate, to conform to the consolidated financial statement presentation used at June 30, 2025. These reclassifications had no impact on previously reported total assets, total liabilities, total revenue or total expenses.

(t) SUBSEQUENT EVENTS

The Organization has evaluated events and transactions occurring subsequent to the consolidated statement of financial position date of June 30, 2025 for items that should potentially be recognized or disclosed in these consolidated financial statements. The evaluation was conducted through November 5, 2025, the date these consolidated financial statements were available to be issued.

In October 2025, the Organization formed Crest Insurance, LLC, a captive insurance company incorporated in the State of Utah, to provide insurance coverage for general and professional liability, and sexual abuse and molestation. Coverage amounts are $3,000,000 per individual claim and $4,000,000 in the aggregate. Olive Crest is the sole member of Crest Insurance, LLC and the board consists of four members of Olive Crest’s management and one independent member. As such, Crest Insurance LLC will meet the criteria for consolidation in Olive Crest’s consolidated financial statements.

In November 2025, the Organization increased their line of credit with City National Bank from $5,000,000 to $8,000,000.

NOTE 3 - RESTRICTED CASH

Restricted cash of $5,218,700 at June 30, 2025 comprises $4,887,361 undistributed bond proceeds contractually restricted for certain building project costs pursuant to bonds payable agreements and $331,339 of client savings accounts maintained on behalf of clients.

NOTE 4 - INVESTMENTS AND FAIR VALUE MEASUREMENTS

The Organization follows FASB ASC 820, *Fair Value Measurement*, for reporting of assets (and liabilities) that are re-measured and reported at fair value at each reporting period. This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value based on inputs used, and requires additional disclosures about fair value measurements. This standard applies to fair value measurements already required or permitted by existing standards.

In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets (or liabilities). Fair values determined by Level 2 inputs utilize data points that are observable, such as quoted prices, interest rates and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the asset (or liability) and include situations where there is little, if any, market activity for the asset (or liability).

The Organization uses net asset value (NAV) per share, or its equivalent, to determine the fair value of all the underlying investments which (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company, they are valued, as a practical expedient, utilizing the net asset valuations provided by their respective investment manager or general partner.

Investments held by the Organization consist of the following balances on the consolidated statement of financial position:

Investments	$ 6,005,187
Endowment Investments	1,120,442
TOTAL INVESTMENTS	$ 7,125,629

NOTE 4 - INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

The following table presents information about the Organization's investments that are measured at fair value on a recurring basis at June 30, 2025, and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value:

		Fair Value Measurements Using		
	Year Ended June 30, 2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Net Asset Value Per Share or its Equivalent (NAV)
Investments:				
Cash and Cash Equivalents	$ 454,230	$ 454,230	$ -	$ -
Government Bonds	1,120,969	-	1,120,969	-
Corporate Bonds	248,327	-	248,327	-
Mutual Funds	784,196	784,196	-	-
Equities	3,515,707	3,515,707	-	-
Alternative Investments	1,002,200	-	-	1,002,200
TOTAL INVESTMENTS	$ 7,125,629	$ 4,754,133	$ 1,369,296	$ 1,002,200

The fair values of marketable securities within Level 1 were obtained based on quoted market prices at the closing of the last business day of the fiscal year. The fair values of government and corporate bonds within Level 2 were based on independent pricing services and spreads sourced from brokers/dealers, trade prices, and the new issues market.

The fair value of the private equity funds included in alternative investments in the table above and valued at NAV was based on the Organization's ownership interest in the partners' capital or net assets of the respective funds and is determined with reference to the value of the underlying investments within the partnerships and liquidity restrictions. There are no restrictions on the redemptions of these investments, and there were no unfunded commitments related to the alternative investments at June 30, 2025.

NOTE 5 - CONTRIBUTIONS RECEIVABLE

Contributions receivable at June 30, 2025 consist of the following:

Amounts Due:	
In Less Than One Year	$ 4,097,332
In Two to Five Years	6,803,953
In More Than Five Years	3,635,000
TOTAL CONTRIBUTIONS RECEIVABLE - GROSS	14,536,285
Less: Present Value Discount	(2,064,900)
Less: Allowance for Doubtful Contributions Receivable	(625,280)
TOTAL CONTRIBUTIONS RECEIVABLE (NET)	$ 11,846,105

NOTE 6 - PROPERTY AND EQUIPMENT

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

Buildings and Improvements	$ 29,477,827
Land	11,134,128
Vehicles	2,610,734
Furniture and Equipment	1,021,452
Leasehold Improvements	255,316
TOTAL	44,499,457
Less: Accumulated Depreciation	(14,155,301)
TOTAL PROPERTY AND EQUIPMENT SUBJECT TO DEPRECIATION	30,344,156
Construction in Progress	4,514,663
PROPERTY AND EQUIPMENT (NET)	$ 34,858,819

At June 30, 2025, construction in progress represents several ongoing projects with varying remaining costs to complete. Depreciation expense totaled $1,530,718 for the year ended June 30, 2025.

NOTE 7 - LINE OF CREDIT

The Organization has a revolving line of credit with a bank in the amount of $5,000,000, which bears interest at the greater pf (1) the floor of 2.50% or (2) Secured Overnight Financing Rate (SOFR) plus 2.25%. The line of credit matures in April 2026. The Organization had no amount outstanding on the line of credit at June 30, 2025, and the bank’s reference rate at June 30, 2025 was SOFR plus 2.25%.

NOTE 8 - BONDS PAYABLE AND INTEREST RATE SWAPS

(a) BONDS PAYABLE

Bonds payable at June 30, 2025 consist of the following:

$12,463,500 Tax-Exempt Bonds Payable, Issued through California Infrastructure and Economic Development Bank, Secured by Multiple Deeds of Trust of Real Property, Payable in Monthly Payments of Principal and Accrued Unpaid Interest at a 3.86% Rate, maturing on April 1, 2048.	$ 11,798,359
$8,300,000 Taxable Bonds Payable, Issued through California Infrastructure and Economic Development Bank, Secured by Multiple Deeds of Trust of Real Property, Payable in Monthly Payments of Principal and Accrued Unpaid Interest at a 4.90% Rate, maturing on April 1, 2048.	7,916,188
$2,106,810 Supplemental Tax-Exempt Bonds Payable, Issued through California Infrastructure and Economic Development Bank, Secured by Multiple Deeds of Trust of Real Property, Payable in Monthly Payments of Principal and Accrued Unpaid Interest at a 5.58% Rate, maturing on May 1, 2049.	2,064,099
$930,690 Supplemental Taxable Bonds Payable, Issued through California Infrastructure and Economic Development Bank, Secured by Multiple Deeds of Trust of Real Property, Payable in Monthly Payments of Principal and Accrued Unpaid Interest at a 7.13% Rate, maturing on May 1, 2049.	915,108
TOTAL BONDS PAYABLE	22,693,754
Less: Unamortized Bonds Issuance Costs	(314,078)
BONDS PAYABLE (NET)	$ 22,379,676

Under the terms of the bond agreements, the Organization is subject to certain financial covenants including the quick ratio and the debt service coverage ratio minimums, as well as other covenants. As of June 30, 2025, the Organization was in compliance with these covenants or has obtained a waiver from the lender.

NOTE 8 - BONDS PAYABLE AND INTEREST RATE SWAPS (continued)

(a) BONDS PAYABLE (continued)

At June 30, 2025, the bonds' mandatory redemption requirements are as follows:

Years Ending June 30:	
2026	$ 577,832
2027	601,268
2028	626,173
2029	657,557
2030	682,790
Thereafter	19,548,134
TOTAL BONDS PAYABLE	$ 22,693,754

At June 30, 2025, bonds issuance costs are as follows:

Bonds Issuance Costs	$ 339,808
Accumulated Amortization	(25,730)
UNAMORTIZED BONDS ISSUANCE COSTS	$ 314,078

(b) INTEREST RATE SWAPS

The Organization has interest rate swap agreements related to its bonds payable with an aggregate notional amount of $22,693,757 with various termination dates through January 2033. Under the terms of these agreements, the Organization agrees to pay the bank a fixed amount of interest and receive variable amounts of interest at specified rates over the life of the agreements.

The interest rate swaps outstanding as of June 30, 2025 are as follows:

	Fixed Interest Paid at	**Floating Interest Received at**
Swap #1	4.90%	1.16% + SOFR
Swap #2	3.86%	1.16% + 77% of SOFR
Swap #3	7.13%	2.60% +SOFR
Swap #4	5.58%	2.00% + 77% of SOFR

The Organization recognized a loss on interest rate swap totaling $515,259 during the year ended June 30, 2025.

NOTE 9 - NOTES PAYABLE

Notes payable consist of the loans payable to Toyota Financial Services totaling $15,554 at June 30, 2025. Notes payable are collateralized by the related vehicles and are payable in monthly payments of principal and accrued unpaid interest with various dates of maturity through 2028. Notes payable bear an interest at the rate of 1.9%. Notes payable will be paid in full through June 30, 2026.

NOTE 10 - CONTRIBUTED NON-FINANCIAL ASSETS

The Organization received the following contributions of non-financial assets for the year ended June 30, 2025:

Rent	$ 295,387
Auction Items	244,716
Professional Services	202,877
Household Items	142,960
Clothing, Footwear and Accessories (Including Baby Gear)	138,627
Christmas Gifts	127,736
Toys, Hobbies and Games	107,599
Food and Beverage	99,530
Gift Baskets	99,275
School Supplies	63,621
Gift Cards & Certificates	62,682
Miscellaneous	54,150
Event Passes and Tickets	46,037
TOTAL CONTRIBUTED NONFINANCIAL ASSETS	$ 1,685,197

The Organization entered into lease agreements for a residential home and office space for which the rental payments stated in the agreement are $0 to $1 per month. The amount of contributed rent was estimated using publicly available residential and commercial real estate rental listings. The amount of contributed rent over the remaining lease term is reported as contributions receivable in the accompanying consolidated statement of financial position, and the related rent expense is recorded straight-line over the life of the lease in the accompanying consolidated statement of activities. The contributed office space is used for both programs and supporting services and is allocated based upon square footage used by each program and supporting service.

NOTE 10 - CONTRIBUTED NON-FINANCIAL ASSETS (continued)

The Organization receives items to be sold as auction items at multiple special events held during the year. Contributed auction items, event passes and tickets and gift baskets are valued at the gross selling price received and then subsequently converted to cash as part of special events. The remaining contributed nonfinancial assets were either utilized in the Organization’s programs or distributed to children and/or families receiving services.

Contributed services are recognized as in-kind revenues at their estimated fair value if they create or enhance non-financial assets or they require specialized skills that would need to be purchased if they were not donated. The Organization received professional services that are reported using current rates for similar professional services. The Organization receives a significant number of donated services from unpaid volunteers who assist in fundraising and special projects. No amounts have been recognized in the consolidated statement of activities for these fundraising and special project services because the criteria for recognition have not been satisfied.

NOTE 11 - LEASE ARRANGEMENTS

(a) OPERATING LEASES - LESSEE

The Organization leases office space, apartments and office equipment, which are accounted for as operating leases under FASB ASC 842. The operating leases expire at various dates ranging through November 2029. Some of these leases have renewal options. The exercise of lease renewal options is at the Organization’s discretion. The Organization has chosen to include the renewal term in the calculation of the ROU asset and related lease liability when such renewals are reasonably certain of being exercised. As of June 30, 2025, the Organization recognized $701,927 of ROU assets and $707,733 of related lease liabilities for contracts that are classified as operating leases.

Lease cost was as follows for the year ended June 30, 2025:

Operating Lease Cost	$ 398,914
Short-Term Lease Cost	2,507,892
TOTAL LEASE COST	$ 2,906,806

As of June 30, 2025, the weighted average remaining lease terms of operating leases are approximately 1.78 years. The weighted average discount rate used to determine the lease liabilities as of June 30, 2025 for the operating leases was 4.76%.

NOTE 11 - LEASE ARRANGEMENTS (continued)

(a) OPERATING LEASES - LESSEE (continued)

Maturities of lease liabilities in future years are as follows:

Years Ending June 30	Operating Leases
2026	$ 496,634
2027	167,435
2028	54,143
2029	14,400
2030	6,000
TOTAL FUTURE LEASE PAYMENTS	738,612
Less: Imputed Interest	(30,879)
TOTAL LEASE LIABILITIES	$ 707,733

(b) OPERATING LEASES - LESSOR

The Organization leases office facilities to several tenants pursuant to lease agreements classified as operating leases expiring through June 2029. Rental income totaled $778,851 for the year ended June 30, 2025. Minimum future rental payments to be received on non-cancelable operating leases as of June 30, 2025 are as follows:

Years Ending June 30	Operating Leases
2026	$ 427,697
2027	372,894
2028	383,445
2029	394,331
TOTAL FUTURE MATURITIES	$ 1,578,367

The underlying assets associated with the lease, which are held within property and equipment amount to $13,632,059, net of depreciation.

NOTE 12 - NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions consist of undesignated and Board designated amounts for the following purposes at June 30, 2025:

Undesignated	$ 31,255,689
Board Designated Endowment Fund	6,005,187
TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS	$ 37,260,876

The Board of Directors of the Organization (the Board) has designated, from net assets without donor restrictions, certain funds for a Board designated endowment fund for reserves and future operating needs.

NOTE 13 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions and related releases from net assets with donor restrictions consist of the following:

	Net Assets with Donor Restrictions at June 30, 2025	Net Assets Released from Restrictions for the Year Ended June 30, 2025
Purpose:		
Capital Campaign Projects	$ 21,818,109	$ (1,648,393)
Programs	683,089	(2,893,258)
Time Restrictions:		
Contributions Receivable with Time Restrictions	800,000	(340,000)
Gifts Held in Perpetuity:		
Endowment Corpus	1,105,856	-
Accumulated Earnings	14,586	-
TOTAL	$ 24,421,640	$ (4,881,651)

NOTE 14 - ENDOWMENTS

The Organization has endowments with and without donor restrictions. The Board has established a Board-designated endowment, which is included in net assets without donor restrictions. The Organization received contributions with donor restrictions that are included in net assets with donor restrictions.

NOTE 14 - ENDOWMENTS (continued)

The Organization's with and without donor restrictions endowments are covered by the following policies:

Return Objectives and Risk Parameters - It is the purpose of the Organization's endowment fund to secure the future of the Organization and to support its programs and operations as designated by the Board. Donor restricted endowments are for the purpose of providing future income for maintenance on the Organization's apartment buildings.

The primary long-term financial objective is to preserve and enhance the real (i.e., inflation-adjusted) purchasing power of the endowment through a prudent long-term investment strategy.

The primary investment objective of the endowment is to earn an average annual return of 5% after inflation over a full market cycle (typically three to five years) among three diversified asset classes. The Organization's current portfolio is considered moderate on the risk scale.

Strategies Employed for Achieving Objectives - The Organization manages its endowment on a total rate of return basis consisting of dividends, interest, and changes in market value of securities for the fiscal year, not favoring returns from one source over another. The investment portfolio is to be sufficiently balanced so that no single security or class of securities will have a disproportionate impact on the risk of the total portfolio.

Spending Policy and How the Investment Objectives Relate to Spending Policy - The Organization has a policy governing the amount of endowment earnings that can be released annually for spending. The spending policy authorizes an annual distribution equal to 5% of the average market value of the portfolio as of December 31 for the preceding three years which will help to even out any fluctuations that may occur in the value of the account. No amounts were released for spending for the year ended June 30, 2025, due to a lack of need of funds out of the board designated endowment and the recent establishment of the donor restricted endowment at the measurement date.

In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow at an amount that will at least keep pace with expected inflation.

Endowment Net Asset Composition by Type of Fund at June 30, 2025	Without Donor Restrictions	With Donor Restrictions	Total
Donor Restricted	$ -	$ 1,120,442	$ 1,120,442
Board Designated	6,005,187	-	6,005,187
ENDOWMENT NET ASSETS - END OF YEAR	$ 6,005,187	$ 1,120,442	$ 7,125,629

NOTE 14 - ENDOWMENTS (continued)

Changes in Endowment Net Assets for the Year Ended June 30, 2025	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	$ 5,551,691	$ -	$ 5,551,691
Contributions	-	1,105,856	1,105,856
Investment Return (Net)	453,496	14,586	468,082
ENDOWMENT NET ASSETS - END OF YEAR	$ 6,005,187	$ 1,120,442	$ 7,125,629

NOTE 15 - COMMITMENTS AND CONTINGENCIES

(a) LEGAL PROCEEDINGS

In the ordinary course of conducting its business, the Organization becomes involved in various legal proceedings. Some of these proceedings may result in judgments being assessed against the Organization which, from time to time, may have an impact on changes in net assets. The Organization does not believe that these proceedings individually or in the aggregate, are material to its operations or financial condition.

(b) CONTRACTS

The Organization's grants and contracts are subject to inspection and audit by the appropriate governmental funding agencies. The purpose is to determine whether program funds were used in accordance with their respective guidelines and regulations. The potential exists for disallowance of previously funded program costs. The ultimate liability, if any, which may result from these governmental audits cannot be reasonably estimated.

(c) CONSTRUCTION COMMITMENTS

The Organization has entered into contracts related to construction and improvements of various facilities totaling approximately $4,940,000.

NOTE 16 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The total financial assets held by the Organization at June 30, 2025 and the amounts of those financial assets that could be made available for general expenditures within one year of the date of the consolidated statement of financial position are summarized in the following table:

Financial Assets at June 30, 2025:	
Cash and Cash Equivalents	$ 20,144,820
Investments	6,005,187
Grants Receivable (Net)	12,863,105
Contributions Receivable (Net)	11,846,105
TOTAL FINANCIAL ASSETS AVAILABLE WITHIN ONE YEAR	50,859,217
Less Amounts Unavailable for General Expenditures within One Year, Due to:	
Contributions Receivable with Donor Restrictions	(11,559,881)
Cash and Cash Equivalents with Donor Restrictions	(10,930,993)
Board-Designated Endowment Funds	(6,005,187)
FINANCIAL ASSETS AVAILABLE TO MEET GENERAL EXPENDITURES WITHIN ONE YEAR	$ 22,363,156

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organization is substantially supported by government grants and contracts, which can result in the Organization having to carry significant grants receivable balances. As part of its liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Organization has a line of credit of $5,000,000 that it could draw upon. At June 30, 2025, $5,000,000 was available on this line of credit. In addition, the Organization could also draw upon its board-designated endowment fund.

OLIVE CREST

SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2025

OLIVE CREST

CONSOLIDATED SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2025

Federal Grantor/Passed Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Contract Number	Federal Expenditures
U.S. Department of Health and Human Services:			
Passed through the State of California			
Foster Care Title IV-E (a)	93.658	various	$ 2,317,847
Foster Care Title IV-E (a)	93.658	19-03-13	17,664
Foster Care Title IV-E (a)	93.658	19-01-28	333,960
Passed through the State of Nevada			
Foster Care Title IV-E (a)	93.658	604131-16	420,881
Foster Care Title IV-E (a)	93.658	606777-23	159,025
Passed through the County of Orange			
Foster Care Title IV-E (a)	93.658	063-24010830-12	2,850,120
Foster Care Title IV-E (a)	93.658	2821-02	1,495,106
Foster Care Title IV-E (a)	93.658	MA-063-24010926	528,811
Passed through the County of Riverside			
Foster Care Title IV-E (a)	93.658		3,565,145
Foster Care Title IV-E (a)	93.658	0003888	1,930,985
Passed through the County of Santa Barbara			
Foster Care Title IV-E (a)	93.658		1,252,977
Passed through the County of Los Angeles			
Foster Care Title IV-E (a)	93.658	17-0003-28	231,915
Total 93.658			15,104,436
Passed through the County of Los Angeles			
MaryLee Allen Promoting Safe and Stable Families Program	93.556	25-1-2	408,166
MaryLee Allen Promoting Safe and Stable Families Program	93.556	25-1-7	120,723
Passed through the State of Nevada			
MaryLee Allen Promoting Safe and Stable Families Program	93.556	93556-24-017	122,159
MaryLee Allen Promoting Safe and Stable Families Program	93.556	93556-24-019	28,825
Total 93.556			679,873
Total U.S. Department of Health and Human Services			15,784,309
TOTAL FEDERAL AWARDS			$ 15,784,309

(a) Audited as a Major Program

See Independent Auditor's Report

Notes to the Consolidated Schedule of Expenditures of Federal Awards for the Year Ended June 30, 2025

1. **Basis of Presentation**

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

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.

3. **Indirect Cost Rate**

   The Organization has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

4. **Awards to Subrecipients**

   The Organization has not provided any federal awards to subrecipients from the federal expenditures presented in this Schedule.