



**HUMAN RESOURCE DEVELOPMENT
COUNCIL OF DISTRICT IX, INC.**

CONSOLIDATED FINANCIAL REPORT

June 30, 2021 and 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Human Resource Development Council
of District IX, Inc.
Bozeman, Montana

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Human Resource Development Council of District IX, Inc. (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Human Resource Development Council of District IX, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplemental and Other Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental information on pages 55 through 116 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also 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 audits 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 information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Management's discussion and analysis on pages 4 through 6, which is the responsibility of management, includes information of a non-accounting nature and has not been subjected to the auditing procedures applied in the audits of the financial statements. Accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 22, 2022, on our consideration of the Human Resource Development Council of District IX, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Human Resource Development Council of District IX, Inc. 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 Human Resource Development Council of District IX, Inc. internal control over financial reporting and compliance.

Anderson Zurmuehlen & Co., P.C.

Bozeman, Montana

April 22, 2022



Management Discussion & Analysis

As we reflect on this prior fiscal year, it is with amazement of what our organization has been able to accomplish in a very short twelve months. In addition to making sure nobody goes to bed hungry, that toes are warm and homes are safe and have heat, that our seniors are not suffering from isolation and depression, that our children are ready for kindergarten, that everyone can actually get to work and school and the grocery store, that families have the financial tools to get by in these uncertain times, that everyone has a roof over their head, and that our youth have the opportunity to chase their dreams, HRDC also tackled some notable community advancements.

HRDC was able to put together the financing to purchase a hotel, to further our efforts to provide a safe, warm place to rest for individuals and families in our community whose housing has been adversely impacted by the pandemic.

HRDC was able to acquire its ownership interest in the Darlinton Manor Apartments to preserve more than 100 homes affordable for individuals that live and work in our community. HRDC deployed twelve new homes in our Livingston community, again affordable for families and individuals that live and work in the Livingston community. HRDC was also able to finance the purchase of acreage in the Gardiner community with an intent to develop workforce housing for the Gardiner community. HRDC was also successful in completing the required improvements on a leased facility to ensure that emergency shelter was available in the Bozeman community, increasing seasonal shelter capacity from 64 to 120 beds.

HRDC also supported our new partner, Headwaters Community Housing Trust, with a land conveyance of 8 acres and a completed entitlements process, ready to develop into 63 homes for the Bozeman community. HRDC completed the development of Meadowview Condominiums, in partnership with our former program and now independent non-profit, the Big Sky Community Housing Trust, providing another 34 homeownership opportunities for the Big Sky Community and the development of Willow Springs Townhomes, providing another 12 homeownership opportunities for families living and working in the Bozeman community. HRDC also completed the predevelopment of our future facilities, building the foundation for a new Food & Resource Center and year-round shelter facility. HRDC partnered with Good Housing Partnership to finance the preservation and rehabilitation of 236 apartment homes across Bozeman and Livingston, preserving those resources for our communities for another 45 years. In addition, we rolled out our new redesign Streamline route system and increased our fleet by another four buses, and have continued to identify and respond to challenges stemming from the ongoing Pandemic.

Financially, HRDC continues to operate very efficiently. Our combined administration and fundraising expense ratio is less than 10% of our total annual expenses of operations based on HRDC's Consolidated Statement of Functional Expenses for fiscal year 2020-21.



In addition to our 2020-21 ongoing core operations, HRDC's Consolidated Statement of Activities for the fiscal year ended June 30, 2021 includes:

- nonrecurring sales of 44 affordable workforce housing units constructed in Big Sky and Bozeman totaling \$12,530,000;
- nonrecurring sale of 4 multifamily affordable rental housing properties located in Bozeman and Livingston totaling \$12,017,000;
- pledged contributions restricted for future capital projects of \$399,807;
- nonrecurring capital grants of \$3,644,000 consisting of
 - \$1,787,000 to assist affordable workforce housing construction in Bozeman and Big Sky,
 - \$366,000 to assist with renovation of an expanded Warming Shelter facility and securing access to short-term housing for community members during COVID-19 quarantine,
 - \$1,491,000 to assist with purchasing four additional Streamline buses and one Galavan to help meet our area's growing public transportation and paratransit needs; and
- nonrecurring federal and state grants of \$2,752,000 to assist with our community response to the COVID-19 Pandemic.

The prior fiscal year 2019-20 also included nonrecurring activities, primarily:

- nonrecurring sales of 29 affordable workforce housing units constructed in Big Sky and Bozeman totaling \$7,210,000;
- pledged contributions restricted for future capital projects of \$2,611,601;
- nonrecurring capital grants of \$2,323,000 consisting of
 - \$1,884,000 to assist affordable workforce housing construction in Big Sky and Bozeman,
 - \$355,000 to assist with down payment assistance loans to eligible homebuyers of affordable workforce housing units constructed in Big Sky, and
 - \$84,000 to assist with the purchase of two additional Galavan vehicles to help meet our area's growing public transportation and paratransit needs.

Excluding these nonrecurring activities, HRDC had ongoing revenues from our core operations of \$21.5 million and corresponding expenses of \$19.5 million in fiscal year 2020-21, compared with ongoing core revenues of \$17.8 million and expenses of \$18.0 million in the prior fiscal year 2019-20.



The revenues reported in HRDC's Consolidated Statement of Activities also include \$3.3 million in non-cash contributions of food received from donors in fiscal year 2020-21, as required by U.S. generally accepted accounting principles, and the reported expenses include a corresponding amount of non-cash distributions of food to customers. These non-cash contributions and distributions of food are valued at \$1.74 per pound, which is the industry standard estimate of their fair market value. If these non-cash contributions and distributions of food were also excluded, in addition to the nonrecurring activities excluded in the paragraph above, HRDC's adjusted ongoing core revenues would be \$18.2 million and adjusted ongoing core expenses would be \$16.2 million for fiscal year 2020-21.

Additional information on the revenues, expenses, and net results of the ongoing, individual programs and activities of HRDC is reported in the supplemental schedules found on 55-116.

As we look to 2022, we will break ground on our new facilities and forge new innovative partnerships that allow for a collaborative approach to the housing crisis facing our communities. We will continue to be here for everyone, our seniors, our children, our struggling families, and our aspiring youth.

We commit to continuing to find new ways to instill hope, develop resources, design solutions, and change lives. We commit to keeping our partners, donors, volunteers, and customers alongside us in fulfilling our mission. Thank you for investing in our work and believing in our mission, thank you for being by our side as we continue striving to build a better community.

CONSOLIDATED FINANCIAL STATEMENTS

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 8,232,671	\$ 2,557,122
Escrow and building reserve	408,630	1,897,627
Cash restricted for capital campaign	2,064,390	296,811
Receivables (Note 3)		
Grantors	2,196,781	2,045,186
Accounts receivable, net	1,771,908	1,170,936
Pledges receivable, net	1,787,414	2,897,321
Prepaid expenses	276,010	200,476
Investments (Note 4)	1,549,212	1,204,145
Inventory - supplies and food bank	313,998	321,827
Inventory - condominiums, federal constraints	406,527	1,264,406
Inventory - condominiums	84,136	-
Other asset - housing units	-	494,323
Deferred loans receivable, net (Note 3)	6,109,024	2,991,791
Construction in progress (Note 6)	2,621,890	7,524,701
Construction in progress, federal constraints (Note 6)	323,057	1,308,709
Property and equipment, net, federal constraints (Note 6)	7,722,764	8,929,031
Property and equipment, net (Note 6)	<u>12,869,562</u>	<u>14,330,666</u>
Total assets	<u>\$ 48,737,974</u>	<u>\$ 49,435,078</u>

The Notes to the Consolidated Financial Statements are an integral part of these statements.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
LIABILITIES		
Accounts payable	\$ 1,537,569	\$ 1,742,379
Accrued liabilities	438,428	374,819
Accrued vacation, sick, and paid time off	270,134	271,123
Accrued interest payable	23,159	16,605
Deposits payable	272,482	300,690
Unearned revenue (Note 7)	5,000	47,717
Notes payable (Note 8)	<u>10,700,073</u>	<u>17,984,413</u>
Total liabilities	<u>13,246,845</u>	<u>20,737,746</u>
NET ASSETS		
Without donor restrictions		
Undesignated	23,460,184	12,272,854
Federal-constrained inventory and capital assets	<u>8,452,348</u>	<u>11,502,146</u>
Total net assets without donor restrictions	31,912,532	23,775,000
With donor restrictions		
Purpose or time restrictions	3,369,469	4,752,978
Perpetual in nature (endowment)	<u>209,128</u>	<u>169,354</u>
Total net assets with donor restrictions	<u>3,578,597</u>	<u>4,922,332</u>
Total net assets	<u>35,491,129</u>	<u>28,697,332</u>
Total liabilities and net assets	<u>\$ 48,737,974</u>	<u>\$ 49,435,078</u>

The Notes to the Consolidated Financial Statements are an integral part of these statements.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
CONSOLIDATED STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES		
Contract revenue	\$ 1,705,698	\$ 999,029
Rental income	2,148,133	1,692,370
City/County/Local Government support	2,167,434	2,031,227
Sale of housing units	12,529,847	7,210,423
Contributions (including Fundraising):		
Grants:		
Federal	9,016,985	6,280,805
State	909,834	893,961
Private	584,830	1,278,455
Food (non-cash contributions)	3,272,896	2,920,791
Pledged contributions	399,807	2,611,601
Contributions and fundraising	5,369,259	2,994,590
Net investment income	146,007	38,968
Gain on sale of property	599,884	56,249
Gain on sale of buildings	12,016,687	-
Other	317,494	342,476
Net assets released from program restrictions	<u>1,634,545</u>	<u>573,668</u>
Total revenues	<u>52,819,340</u>	<u>29,924,613</u>
EXPENSES		
Program services:		
Energy	1,080,433	1,077,026
Food and nutrition	5,116,125	4,738,571
Senior citizens	500,508	496,126
Community development	19,120,366	8,554,815
Economic and youth development	430,702	546,348
Housing	11,406,798	3,442,876
Early childhood education	2,072,768	1,980,674
Transportation	<u>2,581,195</u>	<u>2,542,983</u>
Total program services	<u>42,308,895</u>	<u>23,379,419</u>
Supporting services:		
Administration	1,361,001	1,063,464
Fundraising	<u>664,756</u>	<u>646,749</u>
Total supporting services	<u>2,025,757</u>	<u>1,710,213</u>
Total expenses	<u>44,334,652</u>	<u>25,089,632</u>
Change in net assets without donor restrictions	<u>8,484,688</u>	<u>4,834,981</u>

The Notes to the Consolidated Financial Statements are an integral part of these statements.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
CONSOLIDATED STATEMENTS OF ACTIVITIES (CONTINUED)
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
NET ASSETS WITH DONOR RESTRICTIONS		
Purpose-or-time restricted contributions	251,037	944,329
Perpetually-restricted contributions	39,774	9,209
Net assets released from restrictions	<u>(1,634,545)</u>	<u>(573,668)</u>
Change in net assets with donor restrictions	<u>(1,343,734)</u>	<u>379,870</u>
Total change in net assets	7,140,954	5,214,851
Net assets, beginning of year	28,697,332	23,482,481
Capital contribution	3,798	-
Investment in partnership interest	<u>(350,955)</u>	<u>-</u>
Net assets, end of year	<u>\$ 35,491,129</u>	<u>\$ 28,697,332</u>

The Notes to the Consolidated Financial Statements are an integral part of these statements.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2021

	Program								Supporting		
	Energy	Food & Nutrition	Senior Programs	Community Development	Economic Development	Housing	Early Childhood Education	Transportation	Administration	Fundraising	Total 2021
Program Expenses:											
Salaries	\$ 423,411	\$ 872,571	\$ 322,072	\$ 537,699	\$ 299,226	\$ 1,067,741	\$ 1,155,686	\$ 400,625	\$ 761,928	\$ 241,397	\$ 6,082,356
Payroll taxes and benefits	117,773	207,712	83,096	158,044	85,366	321,003	333,637	120,649	207,179	66,287	1,700,746
Bad debt expense	-	-	-	-	-	3,414	-	1,700	-	-	5,114
Client assistance	312,349	24,957	-	267,803	3,841	327,127	22,917	15,436	-	6,517	980,947
Closing costs and housing fees	-	-	-	(53,256)	-	8,341	-	-	-	-	(44,915)
Closing costs on building sales	-	-	-	-	-	7,132,760	-	-	-	-	7,132,760
Contract services	126,195	34,394	26,495	117,056	-	145,711	133,671	832,796	74,947	238,665	1,729,930
Cost of goods sold	-	-	-	14,937,548	-	-	-	-	-	-	14,937,548
Depreciation and amortization	22,760	84,531	-	2,549	6,351	497,890	89,009	383,926	14,485	3,564	1,105,065
Food	-	3,621,681	-	-	-	650	47,337	-	-	-	3,669,668
Fundraising	-	24,619	5,444	137	-	3,455	-	55	-	16,877	50,587
In-kind housing donations	-	-	-	3,035,890	-	-	-	-	-	-	3,035,890
Insurance	13,770	30,079	6,694	(35,305)	2,578	72,887	17,540	183,746	7,928	1,426	301,343
Interest	-	8,824	-	18,306	-	387,278	25,058	-	24,763	-	464,229
Legal and audit	-	50	-	(2,173)	-	27,920	-	135	49,965	-	75,897
Loans forgiven	-	-	-	48,286	-	-	-	-	-	-	48,286
Office costs	6,955	19,247	5,714	8,265	3,702	48,282	24,891	26,668	163,731	23,446	330,901
Other	277	7,984	5,448	(29,811)	127	80,124	1,437	58,521	2,795	1,149	128,051
Outreach and marketing	2,054	4,407	705	(594)	1,633	21,304	47	46,295	6,137	31,561	113,549
Repairs and maintenance	805	15,960	-	-	-	418,163	8,250	192,194	8,698	-	644,070
Space and occupancy costs	26,916	107,584	35,182	33,860	19,589	705,276	125,110	106,291	(58,219)	14,184	1,115,773
Subgrants	-	10,284	-	61,275	-	-	-	-	-	-	71,559
Supplies	9,854	28,732	4,508	7,429	2,809	108,866	67,897	65,223	84,904	14,037	394,259
Training	1,500	721	1,489	7,046	996	17,729	19,039	1,150	10,859	943	61,472
Travel and transportation	15,814	11,788	3,661	312	4,484	10,877	1,242	145,785	901	4,703	199,567
Total expenses	\$ 1,080,433	\$ 5,116,125	\$ 500,508	\$ 19,120,366	\$ 430,702	\$ 11,406,798	\$ 2,072,768	\$ 2,581,195	\$ 1,361,001	\$ 664,756	\$ 44,334,652
	2.4%	11.5%	1.1%	43.1%	1.0%	25.7%	4.7%	5.8%	3.1%	1.5%	100.0%

The Notes to the Consolidated Financial Statements are an integral part of these statements.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2020

	Program								Supporting		Total 2020
	Energy	Food & Nutrition	Senior Programs	Community Development	Economic Development	Housing	Early Childhood Education	Transportation	Administration	Fundraising	
Program Expenses:											
Salaries	\$ 363,348	\$ 702,395	\$ 308,377	\$ 490,325	\$ 320,299	\$ 744,744	\$ 1,106,264	\$ 366,264	\$ 575,622	\$ 187,076	\$ 5,164,714
Payroll taxes and benefits	101,466	190,667	76,144	142,988	90,312	186,258	331,008	107,251	164,856	55,704	1,446,654
Bad debt expense	-	-	-	-	-	18,803	-	6,300	-	-	25,103
Client assistance	277,727	-	1,000	-	5,255	747,331	19,234	106,753	522	6,688	1,164,510
Closing costs and housing fees	-	-	-	314,592	-	2,850	-	-	-	-	317,442
Contract services	208,996	8,459	47,972	147,641	-	158,387	126,108	833,687	59,786	265,112	1,856,148
Cost of goods sold	-	-	-	7,112,408	-	-	-	-	-	-	7,112,408
Depreciation and amortization	16,399	55,730	-	4,721	32,342	384,452	87,723	398,258	11,446	3,564	994,635
Food	-	3,306,394	-	-	-	-	76,130	-	-	426	3,382,950
Fundraising	-	28,538	3,903	90	821	2,317	-	64	10	12,349	48,092
Insurance	13,353	24,862	4,134	34,666	6,066	38,638	22,196	97,725	4,354	1,364	247,358
Interest	-	10,744	-	(1,553)	20,959	260,773	37,982	-	16,313	-	345,218
Legal and audit	-	220	-	5,017	-	4,785	290	135	44,658	-	55,105
Loans forgiven	-	-	-	51,840	-	-	-	-	-	-	51,840
Office costs	10,106	25,195	11,820	32,901	5,494	37,627	27,487	28,106	40,327	21,054	240,117
Other	291	10,630	832	80,876	4,661	14,430	5,438	614	39,171	1,858	158,801
Outreach and marketing	3,362	9,055	208	690	3,743	3,071	418	68,997	7,681	19,302	116,527
Repairs and maintenance	3,218	12,652	-	1,013	2,975	136,835	6,258	236,853	20,421	-	420,225
Space and occupancy costs	28,021	104,748	27,112	95,150	33,700	448,248	73,346	58,561	(38,068)	20,901	851,719
Subgrants	-	187,976	-	6,324	-	-	-	-	-	-	194,300
Supplies	30,221	39,502	7,669	7,487	8,839	229,465	39,086	38,316	108,138	41,674	550,397
Training	3,336	6,580	3,585	23,810	-	17,372	15,451	785	5,819	3,766	80,504
Travel and transportation	17,182	14,224	3,370	3,829	10,882	6,490	6,255	194,314	2,408	5,911	264,865
Total expenses	<u>\$ 1,077,026</u>	<u>\$ 4,738,571</u>	<u>\$ 496,126</u>	<u>\$ 8,554,815</u>	<u>\$ 546,348</u>	<u>\$ 3,442,876</u>	<u>\$ 1,980,674</u>	<u>\$ 2,542,983</u>	<u>\$ 1,063,464</u>	<u>\$ 646,749</u>	<u>\$ 25,089,632</u>
	4.3%	18.9%	2.0%	34.1%	2.2%	13.7%	7.9%	10.1%	4.2%	2.6%	100.00%

The Notes to the Consolidated Financial Statements are an integral part of these statements.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from grantors	\$ 10,317,337	\$ 7,371,713
Cash received from contracts	1,029,192	421,141
Cash received from rentals	2,119,925	1,850,221
Cash received from City/County/Local Government	2,167,434	2,031,227
Cash received from sale of housing units	12,484,932	7,210,423
Cash received from contributions	5,495,465	4,257,337
Cash received from interest and dividends	(152,060)	40,315
Cash received from other activities	317,494	342,476
Cash paid to employees	(7,713,928)	(6,478,681)
Cash paid to suppliers	(16,038,200)	(5,706,887)
Cash paid for direct assistance to clients	(980,947)	(1,164,510)
Cash (paid) received for other operational expenses	(62,212)	753,792
Cash paid for fundraising activities	(50,587)	(48,092)
Interest paid	(804,255)	(348,680)
Net cash flows from operating activities	<u>8,129,590</u>	<u>10,531,795</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of capital assets	(2,090,291)	(3,087,495)
Proceeds from sales of buildings	8,489,952	-
Cash paid for investment in partnership	(129,382)	-
Investment purchases	(47,000)	(31,742)
Proceeds from sales of investments	-	155,673
Principal loan receivable payments received	360,423	259,441
Principal loan receivable advances	(886,252)	(582,298)
Net cash flows from investing activities	<u>5,697,450</u>	<u>(3,286,421)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from payroll protection program (PPP) loan	-	407,000
Principal payments on long-term debt	(7,872,909)	(5,875,599)
Net cash flows from financing activities	<u>(7,872,909)</u>	<u>(5,468,599)</u>
Net change in cash and cash equivalents	5,954,131	1,776,775
Cash and cash equivalents, beginning of year	<u>4,751,560</u>	<u>2,974,785</u>
Cash and cash equivalents, end of year	<u>\$ 10,705,691</u>	<u>\$ 4,751,560</u>
Reconciliation to Consolidated Statements of Financial Position		
Cash and cash equivalents	\$ 8,232,671	\$ 2,557,122
Escrow and building reserve	408,630	1,897,627
Cash restricted for capital campaign	2,064,390	296,811
	<u>\$ 10,705,691</u>	<u>\$ 4,751,560</u>

The Notes to the Consolidated Financial Statements are an integral part of these statements.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 7,140,954	\$ 5,214,851
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation and amortization	1,105,065	994,635
Bad debt, allowances, and loans forgiven	134,764	26,737
Unrealized (gain) loss on investments, net	(298,067)	1,347
Gain on sale of property and equipment	(599,884)	(56,249)
Gain on sale of buildings	(12,016,687)	-
Proceeds from sale of housing units and condominiums	12,529,848	7,210,423
Change in operating assets and liabilities:		
Inventory	58,352	(32,141)
Grants receivable	(151,595)	(1,124,197)
Accounts receivable	(600,972)	(434,710)
Pledges receivable	1,109,907	(2,311,601)
Prepaid expenses	(75,534)	(143,178)
Accounts payable	(204,810)	856,113
Accrued liabilities	69,174	129,225
Deposits payable	(28,208)	157,851
Unearned revenue	(42,717)	42,689
Net cash flows from operating activities	<u>\$ 8,129,590</u>	<u>\$ 10,531,795</u>
 SUPPLEMENTAL SCHEDULE OF NON-CASH OPERATING ACTIVITIES		
Contributions of food	<u>\$ 3,272,896</u>	<u>\$ 2,920,791</u>
 SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING ACTIVITIES		
Fixed assets and inventory purchased or constructed with debt	<u>\$ 7,883,907</u>	<u>\$ 13,770,507</u>
In-kind donation of land and building	<u>\$ 3,035,890</u>	<u>\$ -</u>
Fixed asset disposals	<u>\$ 8,116,935</u>	<u>\$ -</u>
Vehicles purchased with grant funds	<u>\$ 1,491,138</u>	<u>\$ -</u>
Acquisition of partnership interest, net	<u>\$ 1,777,780</u>	<u>\$ -</u>
 SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid (net of capitalized interest of \$346,580 and \$515,877, respectively)	<u>\$ 457,675</u>	<u>\$ 399,921</u>

The Notes to the Consolidated Financial Statements are an integral part of these statements.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying consolidated financial statements include the assets, liabilities, net assets, and financial activities of Human Resource Development Council of District IX, Inc. and its wholly-owned subsidiaries, the Home Corporation, The Miles Building, Inc., Summit Apartments, Inc., Sherwood Inn Apartments, Inc., Darlinton Apartments, Inc., Miles Limited Partnership, and Darlinton Manor HP/HRDC Limited Partnership. All significant inter-company transactions and balances have been eliminated. Subsidiary elimination worksheets are included as supplemental schedules on pages 55 to 58.

Organization

Human Resource Development Council of District IX, Inc. (HRDC) is a private not-for-profit corporation under Internal Revenue Code Section 501(c)(3). HRDC is located in Bozeman, Montana. HRDC is a non-profit community action agency, dedicated to strengthening community and advancing the quality of people's lives. HRDC works to achieve this by developing the resources (talent and capital) to help people of all ages and situations confront and overcome obstacles so that they can improve their lives. HRDC focuses on seven strategic challenges and operates multiple programs to address these pressing human needs. HRDC serves the community in these seven areas: Food and Nutrition, Housing and Homelessness, Child and Youth Development, Senior Empowerment, Community Transportation, Home Heating, Efficiency, and Safety, and Community (Economic) Development. Through HRDC programs, sustainable results are fostered through practical, comprehensive approaches to social and economic challenges.

Services are delivered statewide with an emphasis in Gallatin, Park, and Meagher Counties. The Board of Directors is composed of individuals from the private sector, public sector, and representatives of the low-income sector.

Colorado Apartments, West Edge Condominiums, Cottages at Menicucci Square, Boulevard Apartments and Livingston Cottages are HRDC owned properties which are accounted for separately from HRDC's programs. Financial data has been reported accordingly in the supplemental consolidating schedules on pages 56 to 59.

The Home Corporation is a private not-for-profit title holding company under Internal Revenue Code Section 501(c)(2). The Home Corporation was formed as a single asset entity in order to facilitate financing with the Montana Board of Housing (MBOH) for the West Babcock Apartment Affordable Housing project.

The Miles Building, Inc. is defined as a 501(c)(3) Supporting Organization under the Internal Revenue Code. The Miles Building, Inc. was formed as a single asset entity to facilitate financing with the Montana Board of Housing and U.S. Department of Housing and Urban Development for the purchase of the Miles Building Apartments in Livingston, Montana in May 1999.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (CONTINUED)**

Organization (Continued)

The Miles Building was purchased to preserve 40 units of existing low-income housing stock in the Livingston community. In December, 2001, the Miles Building, Inc. transferred all of its assets and liabilities to the Miles Limited Partnership in order to facilitate the sale of low-income housing tax credits. The Miles Building, Inc. serves as the non-profit managing general partner of the Miles Limited Partnership. The Miles Building, Inc. owns 0.01 percent of the Miles Limited Partnership. During the year ended June 30, 2019, Miles 2017, LLC (a new subsidiary) was created and purchased the remaining 99.99 percent of the Miles Limited Partnership. In March of 2021, the Miles Building Apartments were sold in a transaction described below.

The Darlinton Apartments, Inc. is defined as a 501(c)(3) Supporting Organization under the Internal Revenue Code. The Darlinton Apartments, Inc. was formed to participate in a statewide initiative to preserve low-income housing in Montana. The Darlinton Apartments, Inc. is the Non-Profit General Partner in a Limited Partnership which owns the 100-unit Darlinton Manor Apartments in Bozeman, Montana. In July of 2020, HRDC and its wholly-owned subsidiaries, Darlinton Apartments, Inc. and Darlinton 2020, LLC, acquired 100% of the existing partners' ownership interests in the Darlinton Manor HP/HRDC Limited Partnership, owner of the Darlinton Manor Apartments. HRDC had previously exercised its Right of First Refusal to purchase the Darlinton Manor Apartments, a multifamily affordable housing property consisting of 100 subsidized rental units in Bozeman. Under the Purchase Option and Right of First Refusal Agreement dated October 29, 1999, as amended by the Interests Purchase Agreement (Conversion to Partnership Interests) dated July 23, 2020, the purchase price was stipulated as the amount of outstanding debt plus exit taxes plus net current assets as of the purchase closing date. Based on this, the purchase price was \$1,989,817, consisting of the outstanding debt balances of two loans owed to the Montana Board of Housing (MBOH) and HUD in the amounts of \$1,747,742 and \$41,274 respectively, plus exit taxes of \$129,382, plus net current assets of \$71,419. The Darlinton Manor Apartments continued to be owned by the Darlinton Manor HP/HRDC Limited Partnership after HRDC's acquisition of the controlling ownership interest, until the apartments were sold in March of 2021 as described below.

The Sherwood Inn Apartments, Inc. is defined as a 501(c)(3) Supporting Organization under the Internal Revenue Code. The HRDC formed the Sherwood Inn Apartments, Inc. a wholly-owned subsidiary to act as a single asset entity to hold and operate the 49-unit low-income Apartment Complex. In May, 2001, the HRDC signed a memorandum of understanding and a 24-month option for the purchase of the Sherwood Inn Apartments in Livingston, Montana. The purchase was completed on February 1, 2004 for a purchase price of \$1,375,000. The Sherwood Inn Apartments, Inc. purchase financing included the following: the seller's donation of \$209,922; a private mortgage for \$475,139; a Home Investment Partnership Grant of \$371,000; an existing HUD mortgage on the property (the 1st HUD mortgage) in the amount of \$444,268 which was assigned by HUD to HRDC for future collection; and another existing HUD mortgage on the property (the 2nd HUD mortgage) in the amount of \$127,023 which was forgiven by HUD.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (CONTINUED)**

Organization (Continued)

Neither HUD mortgage loan remained FHA-insured; therefore the HUD loan regulatory agreements were not assumed by the purchaser. In March of 2021, the Sherwood Inn Apartments were sold in the sales transaction described below.

The Summit Apartments, Inc. is defined as a 501(c) (3) Supporting Organization under the Internal Revenue Code. Summit Apartments, Inc. was formed to facilitate the transfer of physical assets of the Summit Place Apartments in Livingston, Montana, through the U.S. Department of Housing and Urban Development. The transfer of physical assets of the seven-unit low-income apartment complex was completed in September, 2006 through the assumption of the HUD deferred mortgage on the property in the amount of \$438,100 and related regulatory and use agreements until the maturity date of the note in January, 2037.

West Jefferson Partners, LLLP was formed to purchase and rehabilitate the Big Sky Villas Apartments in Belgrade, Montana. The Big Sky Villas Apartment Complex was purchased to preserve 24 units of existing low-income housing stock in the Belgrade community. BSV, LLC, a wholly-owned subsidiary of HRDC, serves as the managing general partner of West Jefferson Partners, LLLP and owns 0.01 percent of West Jefferson Partners, LLLP.

In March of 2021, HRDC and its affiliates sold four multifamily affordable rental housing properties located in Bozeman and Livingston to a newly formed limited partnership for the purpose of rehabilitating and preserving the combined 230 subsidized rental units as affordable housing, utilizing financing provided by federal Low-Income Housing Tax Credit investors, tax-exempt bonds, new loans and other related sources. The four sold properties are: Boulevard Apartments, a 40-unit building in downtown Bozeman owned by HRDC; Darlinton Manor Apartments, a 100-unit building in Bozeman owned by the Darlinton Manor HP-HRDC Limited Partnership, whose partner-owners are Darlinton Apartments Inc. and Darlinton 2020 LLC, both wholly-owned subsidiaries of HRDC; Miles Building Apartments, a 40-unit building in downtown Livingston owned by the Miles Limited Partnership, whose partner-owners are Miles Building Inc. and Miles 2017 LLC, both wholly-owned subsidiaries of HRDC; and Sherwood Inn Apartments, a 50-unit building in downtown Livingston owned by Sherwood Inn Apartments Inc., a wholly-owned subsidiary of HRDC.

The new owner of these four properties as of March 1, 2021 is HRDC IX Affordable Housing Solutions LP (Limited Partnership). Its co-general partners are GHP BZLV Holdings LLC, an affiliate of Good Housing Partnership LLC (Administrative GP with an ownership interest of .0051%) and 4 Property LLC, a wholly-owned subsidiary of HRDC newly formed for this purpose (Managing GP with .0049%). Its limited partner ownership interests (99.99%) are held by affiliates of CREA. Resource Property Management, an operating division of HRDC, serves as property manager for the four properties.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (CONTINUED)**

Organization (Continued)

The March 1, 2021 sales transaction and formation of the new limited partnership owner, HRDC IX Affordable Housing Solutions LP, was preceded by a Memorandum of Understanding between Good Housing Partnership LLC and HRDC and its affiliates executed on December 5, 2019, which outlined the intent and general framework of the arrangement.

Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America (GAAP), as codified by the Financial Accounting Standards Board (FASB).

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include cash in banks and on hand, and highly liquid debt instruments with an original maturity of three months or less. HRDC has restricted cash accounts related to reserves and escrows for several of their properties. Such amounts are required to be held in separate accounts and require the amounts to be expended for specific purposes, such as repairs and maintenance of the properties.

HRDC participates in a Master Sweep Repurchase Agreement (Agreement) through a reputable financial institution. Daily, the financial institution sells to HRDC a unified fractional interest in the principal amount of government securities. The securities must be direct obligations of, or guaranteed by, the United States, its agencies, or instrumentalities.

Market risks associated with this agreement are similar to market risks of any government security; the securities have a current market value equal to or greater than the principal amount of the transactions. The funds invested in the Agreement are not considered deposits and are not insured by the Federal Deposit Insurance Corporation; however, the funds are collateralized by the government securities purchased with those funds.

At June 30, 2021 and 2020, HRDC has no uninsured balances. All other accounts are either fully insured by the Federal Deposit Insurance Corporation or collateralized. Although management has expressed no intention to do so, HRDC may terminate the agreement at any time.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (CONTINUED)**

Investments and Investment Income

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair value in the consolidated statement of financial position with the unrealized gains (losses) in the consolidated statement of activities. Gains and losses on investments and other assets are reported as unrestricted net assets unless their use is restricted by explicit donor stipulation.

Promises to Give and Other Receivables

Unconditional promises to give (pledges receivable) are recognized at fair value in the period received. Unconditional promises to give that will be collected beyond one year are reported at the present value of the anticipated cash flows. HRDC has elected under GAAP to subsequently report pledges receivable at fair value by evaluating and adjusting the initial discount rate. Management elected the fair value method to improve valuation of pledges received in current and previous years. HRDC has discounted the pledge receivable based on the present value discount for a multi-year pledge. In subsequent years, amortization of the discounts is included in contributions in the statement of activities. Management has determined that an allowance for uncollectible amounts to be \$-0- at June 30, 2021 and 2020.

Conditional promises to give are recognized when the conditions on which they depend are substantially met. At June 30, 2021 and 2020, there were no conditional promises to give.

HRDC has an additional \$3,621,623 and \$3,512,858 in unearned grant commitments as of June 30, 2021 and 2020, respectively.

Inventories

Inventories included -0- and 14 manufactured housing units at June 30, 2021 and 2020, respectively. HRDC purchased 75 manufactured housing units in July and September 2016 and had sold 43 of these units and transferred 18 of these units to property and equipment to be used for the Cottages at Menicucci Square during the year ended June 30, 2019. During the year ended June 30, 2021, 12 of the remaining 14 units were transferred to be used for the Livingston Cottages and the final two were sold. The total cost of the 14 unsold manufactured housing units was \$494,323 at June 30, 2020.

Inventories include 3 unsold condominium units which are carried at the lower of cost or net realizable value amounting to \$323,077 for the years ended June 30, 2021 and 2020. HRDC purchased 23 units and constructed 60 units of an affordable housing development, West Edge Condominiums, during fiscal years 2010-2014 under the Neighborhood Stabilization Program (NSP). Through June 30, 2021 and 2020, HRDC had cumulatively sold 80 of the 83, condominium units, at an average sale price of \$115,000 and cost basis of \$138,000. The remaining three units will be sold upon the current occupants' decision to vacate the property under the terms of the original lease agreements assumed at the time of acquisition in 2010.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (CONTINUED)**

Inventories (continued)

During the years ended June 30, 2021 and 2020, 24 affordable townhomes were constructed and completed for an affordable housing development, HRDC Willow Springs Townhomes, for which 14 and 9 units were sold during the years ended June 30, 2021 and 2020, respectively. The affordable townhomes are carried at the lower of cost or net realizable value amounting to \$83,450 and \$941,330 at June 30, 2021 and 2020, respectively.

During the year ended June 30, 2021, 34 affordable workforce housing units in Big Sky were completed under HRDC's Meadowview condominium development project. All but one of the units sold during the year ended June 30, 2021. The one remaining affordable unit is carried at the lower of cost or net realizable value amounting to \$84,136 at June 30, 2021.

Supplies and food bank inventories contain repair parts used in the weatherization program (\$2,876 and \$1,214 on June 30, 2021 and 2020, respectively) and the food inventory at the Gallatin Valley Food Bank, Big Sky Community Food Bank and Headwaters Area Food Bank (\$311,122 and \$320,613 on June 30, 2021 and 2020, respectively).

All inventories are recorded at the lower of cost or net realizable value.

Property and Equipment

HRDC capitalizes equipment with a purchase price of at least \$5,000 or lower amount if required by grantors, and an expected life of at least three years. Property and equipment are carried at cost. Depreciation is allocated between program support and supporting services.

Depreciation is computed on a straight-line basis over the following estimated useful lives:

Furniture and Equipment	3 to 10 years
Vehicles	7 to 10 years
Land Improvements	20 years
Building and Improvements	20 to 30 years
Software	3 years

Depreciation expense for the years ended June 30, 2021 and 2020 was \$1,105,065 and \$994,635, respectively.

Vacation/Paid Time Off and Sick Leave

HRDC charges the individual programs for vacation and paid time off (PTO) leave earned by employees. These monies are deposited in the Vacation Leave Fund. When an employee uses vacation benefits, the vacation time is charged against this fund. As of June 30, 2021 and 2020, the Vacation Leave/PTO Fund had a liability balance of \$270,134 and \$271,123, respectively.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Vacation/Paid Time Off and Sick Leave (Continued)

HRDC pays terminating employees one quarter of the value of their unused sick leave. On June 30, 2021 and 2020, the liability for one quarter unused sick leave was \$17,946 and \$19,170 including related payroll taxes. The other three quarters of sick leave expenses are recorded when paid.

Classification of Net Assets

The Organization reports information regarding its financial position and activities according to two classes of net assets, as follows:

Net assets without donor restrictions consist of investments and amounts that are available for use in carrying out the mission of HRDC, and include those expendable resources that have been designated by the Board of Directors for special use by the HRDC.

Net assets with donor restrictions represent those amounts that are subject to donor or certain grantor-imposed stipulations. Some donor or grantor restrictions are temporary in nature such as those that will be met by passage of time or other events specified by the donor or grantor. 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.

A summary of net assets restricted for purpose or time at June 30 is as follows:

	<u>2021</u>	<u>2020</u>
Bridger View Redevelopment - land	\$ -	\$ 1,600,000
Griffin Site Development	1,436,563	1,411,626
Galavan Transportation operations	1,210,245	1,057,568
Big Sky Community Food Bank	258,848	250,848
Road to Home homeownership center	253,087	213,087
Healthy Kids Pack Food program	78,871	63,871
LISC Citi Bridges	26,917	45,716
Title 3 Home Care	37,431	37,431
Partnership for Permanent Supportive Housing	43,085	32,662
Sunset Park Hope Relocation	8,809	21,920
Fork and Spoon	10,568	10,568
School Food Pantry	5,045	5,045
National Council on Aging: SNAP	-	2,636
Total purpose-or-time restricted	<u>\$ 3,369,469</u>	<u>\$ 4,752,978</u>

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classification of Net Assets (Continued)

A summary of net assets perpetual in nature at June 30 is as follows:

	<u>2021</u>	<u>2020</u>
Warming Center	\$ 76,302	\$ 76,302
Gallatin Valley Food Bank	76,301	76,301
Greatest Needs of HRDC	18,411	16,751
Capital Campaign	<u>38,114</u>	<u>-</u>
Total perpetually-restricted (endowment)	<u>\$ 209,128</u>	<u>\$ 169,354</u>

Contributed Support

HRDC recognizes all unconditional gifts and promises to give in the period notified. Contributed support is reported as net assets with or without donor restrictions depending upon the existence of donor stipulations. Purpose-or- time restricted contributions whose restrictions have been fulfilled in the current year are reported as net assets without donor restrictions.

Revenue Recognition

Contract revenues are recognized as performance obligations are met on the contract based on input and output methods, dependent on the individual contract. This may include the delivery of goods or services, as costs are incurred to deliver services, or upon completion of events. Contract revenue included in the consolidated financial statements at June 30, 2021 and 2020 are recognized monthly over the contract period. This revenue includes property management income and public transportation contracted services.

Contributed service revenue results when donated services create or enhance non-financial assets or when they require specialized skills provided by people possessing those skills that would typically be purchased if not provided by donation. Contributed goods are valued at their estimated fair value at the date of contribution. Professional services donated to HRDC that are included in the consolidated financial statements as of June 30, 2021 and 2020 total \$52,101 and \$105,972, respectively.

Additional non-cash donations of clothing, volunteer time, and miscellaneous items have also been contributed to HRDC that have not been included in these consolidated financial statements because they do not meet the requirements for recognition or are considered immaterial for inclusion in the consolidated financial statements.

Advertising

HRDC expenses advertising costs as incurred. Total advertising and outreach costs were \$113,549 and \$105,972 for the years ended June 30, 2021 and 2020, respectively.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

HRDC is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the increase in net assets is generally not subject to taxation. No provision for income tax has been recorded in these financial statements because the HRDC believes it had no income unrelated to its tax-exempt purpose in 2021 or 2020.

Reclassifications

Certain reclassifications have been made to the June 30, 2020 financial statements to conform to the June 30, 2021 presentation. Such reclassifications had no effect on previously reported amounts.

Description of the HRDCs' Program Activities and Expense Classification

Separate accounts are maintained for each fund; however, in the accompanying consolidated financial statements, funds that have similar characteristics have been combined into activity groups. The primary activity groups and their related purposes are summarized as follows:

Energy Activities

HRDC's Energy Initiative combines emergency assistance, heat bill supplements, and home energy savings measures to offset heating costs for limited-income households.

Food & Nutrition Activities

HRDC's Nutrition Initiatives work to improve food security across the Gallatin Valley. Through the Gallatin Valley, Headwaters Area, and Big Sky Community Food Banks, emergency food assistance is provided in the form of emergency food boxes. Additionally, the Fork & Spoon Homestyle Kitchen provides a 'pay what you can' model for evening dinner service six nights a week, the KidsPack Program provides supplemental weekend food to children experiencing hunger, the Summer Lunch Program provides free lunchtime meals to children during the summer months, and the Senior Grocery Program provides supplemental food to low-income seniors.

Senior Programs Activities

HRDC's Senior Empowerment Initiative addresses quality of life and independence in the home for many area seniors. With door-to-door transportation to medical and other appointments, meaningful volunteer opportunities, supplemental food, and in-home health care, HRDC works to provide each and every senior with wrap-around services that enable them to maintain independence and be engaged with the community.

Community Development Activities

HRDC's Community Development Initiative provides innovative and creative solutions to identified community needs. The goal is to build and sustain healthy communities through the construction of housing and community facilities and the development of community programs that educate and support families and individuals.

Economic Development Activities

HRDC's Economic Development Initiatives work to provide free tax filing assistance, job-readiness training and placement for the area's at-risk youth populations.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Description of the HRDCs' Program Activities and Expense Classification (Continued)

Housing Activities

HRDC's Housing initiative works across all levels of housing security, from homelessness to homeownership. HRDC's Housing programs work to ensure that every member of the community can afford to have and preserve a place to call home, whether it is in the form of emergency shelter, transitional housing, affordable rentals, rental subsidies, down payment assistance, or home repairs.

Early Childhood Education Activities

HRDC's Early Childhood Care and Education Initiative provides for the healthy development of children and strengthening families through education, health, nutrition, mental health, and disability services.

Transportation Activities

HRDC's Public Transportation Initiative, Streamline, provides fare-free public transit serving the communities of Belgrade, Bozeman, and Livingston. HRDC's Para Transit Initiative, Galavan, serves the senior and disabled residents with door-to-door transportation to medical and other appointments.

Administrative Activities

Consists of funds that are used for administering HRDC.

Fundraising Activities

These activities provide low-cost supplies and services for special events and activities designed to create public awareness and support for community-based activities operated by HRDC.

Cost Allocation

HRDC allocates costs that can be identified specifically with a particular final cost objective directly to the individual program benefiting. Joint costs are allocated directly to individual programs using a base most appropriate to the particular cost being prorated. HRDC utilizes following bases for allocated costs:

- | | |
|---|-------------------------------------|
| • Occupancy costs | square footage* |
| • Telephone | number of telephones* |
| • Copies, print, postage | actual usage |
| • Agency-wide audit, fiscal office | number of accounting transactions** |
| • Common supplies, general liability insurance, human resources office, receptionist, executive, computer network | number of FTEs** |

* For staffing in multiple HRDC programs, costs are further allocated in a second tier based on hours work by program.

** Time which is easily and specifically identifiable to a particular program may be alternatively charged as a Specific Direct Cost via a Time Sheet. In no case is a cost charged both as a specific direct cost and as an allocated cost.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020

NOTE 2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures include only those without donor restrictions, excluding board-designated net assets or other restrictions limiting their use within one year of the consolidated statement of financial position date. General expenditures include those listed with the management and general classification of the consolidated statement of activities.

The following financial assets are expected to be available to support HRDC in the years ended June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 8,232,671	\$ 2,557,122
Escrow and building reserve	408,630	1,897,627
Cash restricted for capital campaign	2,064,390	296,811
Receivables	5,756,103	6,113,443
Prepaid expenses	276,010	200,476
Investments	1,549,212	1,204,145
Inventories	804,661	1,586,233
Other asset - housing units	-	494,323
Deferred loans receivable, net	6,109,024	2,991,791
Construction in progress	2,944,947	8,833,410
Property and equipment, net	<u>20,592,326</u>	<u>23,259,697</u>
Total assets	<u>48,737,974</u>	<u>49,435,078</u>
Escrow and building reserve	(408,630)	(1,897,627)
Receivables (grantors)	(2,196,781)	(2,045,186)
Receivables (pledges)	(1,787,414)	(2,897,321)
Prepaid expenses	(276,010)	(200,476)
Inventories	(804,661)	(1,586,233)
Other asset - manufactured homes	-	(494,323)
Deferred loans receivable, net	(6,109,024)	(2,991,791)
Construction in progress	(2,944,947)	(8,833,410)
Property and equipment, net	<u>(20,592,326)</u>	<u>(23,259,697)</u>
Financial assets	13,618,181	5,229,014
Donor-restricted net assets*	(2,142,034)	(3,322,332)
Cash committed to HRDC projects	<u>(2,267,448)</u>	<u>(799,570)</u>
Financial assets available within 1 year	<u>\$ 9,208,699</u>	<u>\$ 1,107,112</u>

*Amount excludes land recorded at \$1,600,000 that is donor-restricted and removed from property and equipment, net, above in 2020.

As part of HRDC's liquidity management plan, HRDC has a policy to structure its financial assets to be available as general expenditures, liabilities, and/or obligations as they become due.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020

NOTE 2. LIQUIDITY AND AVAILABILITY (CONTINUED)

Escrows and building reserves and grants receivable are excluded from financial assets available for general as they are generally restricted for specific grant purposes. During the course of the year, HRDC has numerous capital projects in process, in which cash committed has been excluded from financial assets. Schedules of unrestricted corporate funds are included on pages 73 and 74 in the supplemental information.

NOTE 3. RECEIVABLES

Grants Receivable represents the balance of grant funds earned but not yet received in cash. Most grants allow monthly draw-downs of cash which provide operating capital for program operation.

Accounts Receivable represents amounts owing to HRDC from program service contracts stated at unpaid balances. Contracts call for a fixed fee for service and are primarily comprised of property management and other service contracts. Delinquent accounts are reviewed on an annual basis, when it is decided whether to write off an account. These amounts are shown net of a provision for bad debts of \$5,114 and \$21,435 as of June 30, 2021 and 2020, respectively.

Pledges Receivable represents an unconditional promise to give by a donor. Pledges receivable consist of the following:

	<u>2021</u>	<u>2020</u>
Receivable in one year or less	\$ 1,236,242	\$ 1,447,442
Receivable in one to five years	<u>640,142</u>	<u>1,559,379</u>
	1,876,384	3,006,821
Less discount	<u>(88,970)</u>	<u>(109,500)</u>
Net unconditional promises to give	<u>\$ 1,787,414</u>	<u>\$ 2,897,321</u>

The rates used for the pledge discounts range from .7835% - .9524%.

Deferred Loans Receivable represents amounts advanced by BSV Rural Partners, LLC to West Jefferson Partners, LLLP for the rehabilitation of the Big Sky Villas Apartments, down payment assistance loans through the HRDC Homeownership Center, and second mortgage loans through the Neighborhood Stabilization Program.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020

NOTE 3. RECEIVABLES (CONTINUED)

Deferred Loans Receivable (Continued)

The following table presents deferred loans receivable from related parties at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
BSV Rural Partners, LLC HOME Loan	\$ 832,000	\$ 832,000
Date of loan	December 14, 2016	
Maturity date	December 14, 2046	
Interest rate	1.00%	
Terms	Loan deferred until available cash flow after all other debts and	
Collateral	Secured by revenues of West Jefferson Partners, LLLP	
HRDC IX (Boulevard Apts) Seller Note	\$ 905,805	\$ -
Date of loan	March 1, 2021	
Maturity date	March 1, 2061	
Interest rate	1.35%	
Terms	Loan deferred until available operating cash flow and priority as	
	defined by Partnership Agreement	
Collateral	Secured by revenues of HRDC IX Affordable Housing Solutions	
Darlington Manor HP/HRDC LP Seller Note	\$ 121,000	\$ -
Date of loan	March 1, 2021	
Maturity date	March 1, 2061	
Interest rate	1.35%	
Terms	Loan deferred until available operating cash flow and priority as	
	defined by Partnership Agreement	
Collateral	Secured by revenues of HRDC IX Affordable Housing Solutions	
Miles Limited Partnership Seller Note	\$ 1,416,514	\$ -
Date of loan	March 1, 2021	
Maturity date	March 1, 2061	
Interest rate	1.35%	
Terms	Loan deferred until available operating cash flow and priority as	
	defined by Partnership Agreement	
Collateral	Secured by revenues of HRDC IX Affordable Housing Solutions	
Sherwood Inn Apts Inc. Seller Note	\$ 282,850	\$ -
Date of loan	March 1, 2021	
Maturity date	March 1, 2061	
Interest rate	1.35%	
Terms	Loan deferred until available operating cash flow and priority as	
	defined by Partnership Agreement	
Collateral	Secured by revenues of HRDC IX Affordable Housing Solutions	

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020

NOTE 3. RECEIVABLES (CONTINUED)

Deferred Loans Receivable (Continued)

The following table presents deferred loans receivable from related parties at June 30, 2021 and 2020 (continued):

	<u>2021</u>	<u>2020</u>
HRDCIX AP, LLC City of Bozeman Loan	\$ 500,000	\$ -
Date of loan	April 30, 2021	
Maturity date	April 30, 2051	
Interest rate	2.50%	
Terms	Loan deferred until available net operating income and priority as defined by Partnership Agreement	
Collateral	Secured by revenues of MT Perennial LLLP	
	<u>\$ 4,058,169</u>	<u>\$ 832,000</u>

HRDC's Homeownership Center provides financial assistance to first-time homebuyers in the form of a no-interest, deferred payment, equity-share mortgage loan to help the household complete down payment needs or fill the gap between the total purchase price and the maximum loan amount offered by the lender. Repayments of the loans are required upon satisfaction of the primary mortgage loan, refinance, or sale of the home and property. HRDC shares in the equity of the home and the total amount due to HRDC upon repayment conditions is based upon the appraised value of the home.

As of June 30, 2021, HRDC had 27 outstanding down payment assistance loans totaling \$441,428, offset by a provision for loan losses of \$105,699. As of June 30, 2020, HRDC had 31 outstanding down payment assistance loans totaling \$506,328, offset by a provision for loan losses of \$105,699. As of June 30, 2021 and 2020, HRDC had 44 small housing assistance loans to clients totaling \$23,071 and \$23,161, respectively.

HRDC West Edge Condominiums development provided financial assistance through the Neighborhood Stabilization Program (NSP) to acquire 23 condominiums in 2010 and construct 60 additional affordable condominium units through 2014. HRDC sold the condominiums to income-eligible buyers with a maximum of 50% of the mortgage amount being financed through NSP funds in the form of no-interest, deferred payment, second mortgage loans to help fill the gap between the total purchase price and the maximum loan amount offered by the primary lender.

Repayment of the second mortgage is required upon the sale of the residence, cash-out refinance, full payment of the first mortgage, or if the condominium is no longer used as the primary residence. Upon repayment, an appreciation share formula is applied in lieu of interest to determine the amount of repayment. As of June 30, 2021, there were 35 second mortgage loans outstanding in the amount of \$1,129,857, offset by a provision for loan losses of \$87,000. As of June 30, 2020, there were 41 second mortgage loans outstanding in the amount of \$1,282,918, offset by a provision for loan losses of \$77,000. The provision for loan losses is based on approximately six percent of the amount loaned in the final phase of the program.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020

NOTE 3. RECEIVABLES (CONTINUED)

Deferred Loans Receivable (Continued)

HRDC Willow Springs Townhomes development in Bozeman is an initiative to increase homeownership among low-to-moderate income households. When completed, the development project will consist of 24 townhome units. Land and infrastructure for the Willow Springs townhomes was partially funded with program revenue from a previous federal Neighborhood Stabilization (NSP) program grant, to be maintained permanently affordable via a Community Land Trust. Construction of the townhomes is being funded through conventional bank construction loan financing, as well as grant assistance from the City of Bozeman. Funding from NSP and the City of Bozeman requires that eligible buyer households earn no more than 120% of the Area Median Income, have no more than \$70,000 in total family assets, contribute \$1,500 towards the purchase, and complete structured homeownership education. Upon resale of a townhome, the owner's equity share is limited to a maximum of 2% per year of ownership, to maintain permanent affordability of the townhomes for future eligible buyers. As of June 30, 2021, the 24 townhome units had been completed and 23 townhome sales had been closed. 18 of these townhome buyers received down payment assistance loans from HRDC ranging from \$8,400 to \$15,000 each, with deferred payment terms. Repayment of these loans is deferred until the townhome is sold or refinanced. As of June 30, 2021 and 2020, there were eighteen and seven loans outstanding in the total amount of \$193,448 and \$75,000, respectively.

HRDC Meadowview Condominiums development in Big Sky is an initiative to increase homeownership among low-to-moderate income households participating in the local Big Sky workforce. When completed, the development project will consist of 52 condominium units. Land and infrastructure for the Big Sky Meadowview condominiums was partially funded through grant assistance from the Big Sky Resort Area District, to be maintained permanently affordable via a Community Land Trust. Construction of the condominiums is being funded through conventional bank construction loan financing. Upon resale of a condominium, the owner's equity share is limited, to maintain permanent affordability of the condominiums for future eligible buyers in Big Sky. As of June 30, 2021, 34 condominium units had been completed and 33 sold to eligible homebuyers participating in the local Big Sky workforce. Ten of these condominium buyers received down payment assistance loans from HRDC ranging from \$30,000 to \$55,000 each, with deferred payment terms. Repayment of these loans is deferred until the condominium is sold or refinanced. As of June 30, 2021 and 2020, there were ten loans outstanding in the total amount of \$455,750. Due to inherent uncertainties in the estimate of a provision for loan losses, it is reasonably possible this estimate could change in the near term.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020

NOTE 3. RECEIVABLES (CONTINUED)

Deferred Loans Receivable (Continued)

A summary of loans receivable and their related allowances at June 30, 2021 and 2020, is as follows:

	Loan Receivable 2021	Allowance for Doubtful Accounts 2021	Loan Receivable 2020	Allowance for Doubtful Accounts 2020
Affordable Housing - Clients				
Road to Home down-payment assistance	\$ 441,428	\$ 105,699	\$ 506,328	\$ 105,699
West Edge condo loans	1,129,857	87,000	1,282,918	77,000
Rental housing assistance loans	23,071	-	22,494	-
Big Sky Meadowview condo loans	455,750	-	455,750	-
Willow Spring condo loans	193,448	-	75,000	-
Intercompany Loans				
Sherwood Inn Apartments	-	-	442,801	-
West Babcock Apartments	161,192	-	167,138	-
Miles LP	500,000	-	815,649	-
Livingston Land Trust	173,790	-	-	-
Menicucci Square	550,584	-	-	-
HRDC	771,964	-	-	-
Affordable Housing - Related Party				
West Jefferson Partners, LLLP	832,000	-	832,000	-
Montana Perennial LLLP	500,000	-	-	-
HRDC IX Affordable Housing Solutions, LP	2,726,169	-	-	-
Total	8,459,253	<u>\$ 192,699</u>	4,600,078	<u>\$ 182,699</u>
Intercompany elimination	(2,157,530)		(1,425,588)	
Less: allowance	(192,699)		(182,699)	
Deferred loans receivable, net	<u>\$ 6,109,024</u>		<u>\$ 2,991,791</u>	

An analysis of credit exposure by internally assigned grade at June 30, 2021 and 2020, is as follows:

	Residential 2021	Residential 2020	Commercial 2021	Commercial 2020
Pass - performing loans	\$ 2,243,554	\$ 2,342,490	\$ 4,058,169	\$ 832,000
Pass with collateral deficiencies	-	-	-	-
Non-performing, collateralized	-	-	-	-
Non-performing, collateral deficiencies	-	-	-	-
Total	<u>\$ 2,243,554</u>	<u>\$ 2,342,490</u>	<u>\$ 4,058,169</u>	<u>\$ 832,000</u>

An analysis of past due financing receivables as of June 30, 2021 and 2020, is as follows:

	Residential 2021	Residential 2020	Commercial 2021	Commercial 2020
30 - 59 days past due	\$ -	\$ -	\$ -	\$ -
60 - 89 days past due	-	-	-	-
Greater than 90 days past due	-	-	-	-
Total past due	-	-	-	-
Current financing receivables	2,243,554	2,342,490	4,058,169	832,000
Total financing receivables	<u>\$ 2,243,554</u>	<u>\$ 2,342,490</u>	<u>\$ 4,058,169</u>	<u>\$ 832,000</u>

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020

NOTE 3. RECEIVABLES (CONTINUED)

HRDC recognizes interest income on loans receivable on the accrual basis. Loan fees and costs are recognized as income in the period the fees or costs are earned. Loans receivable accrue interest under the applicable loan document terms until the loan is deemed uncollectible. Loans are considered delinquent after 30 days of non-payment from the original due date or deferred due date. Loans are considered impaired when collection of the full amount of the loan is unlikely based on various factors discussed below.

HRDC uses multiple bases to estimate the allowance for credit losses including historical losses of the loan program, existing economic conditions related to the industry in which the loan recipient operates, collateral of the loan recipient, loan payment history and actual or likely events which have occurred or will occur. The risk characteristics of the individual loan programs are similar in nature. HRDC operates loan programs for recipients who cannot generally obtain conventional financing under the requirements and restrictions placed on them by federal and state loan funding sources. Therefore, due to the nature of the loan programs operated, HRDC's loan portfolio is generally of inherently higher risk than typical conventional financing loans; however the loans are collateralized by the property.

HRDC's loans receivable are considered deferred loans, therefore no loans are considered past due as of June 30, 2021 and 2020, and all amounts are considered current under the terms of the loans. Impaired loans are valued at the estimated value of the remaining recoverable assets after consideration of collateral and guarantees. An allowance for bad debt is recorded against these impaired loans for the difference between the balance of the loan and estimated recovery value. As of June 30, 2021 and 2020, HRDC did not have any impaired loans.

NOTE 4. INVESTMENTS

Investments carried at fair value, as of June 30, 2021, are as follows:

	2021		
	Amortized Cost	Fair Value	Net Unrealized Gain
Cash held for investment	\$ 23,140	\$ 23,140	\$ -
Equity securities:			
Mutual funds	807,906	1,002,310	194,404
Exchange-traded funds	<u>446,576</u>	<u>523,762</u>	<u>77,186</u>
Total investments	<u>\$ 1,277,622</u>	<u>\$ 1,549,212</u>	<u>\$ 271,590</u>

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020

NOTE 4. INVESTMENTS (CONTINUED)

Investments carried at fair value, as of June 30, 2020, are as follows:

	2020		
	Amortized Cost	Fair Value	Net Unrealized Gain
Cash held for investment	\$ 20,318	\$ 20,318	\$ -
Equity securities:			
Mutual funds	700,738	747,145	46,407
Exchange-traded funds	440,782	436,682	(4,100)
Total investments	<u>\$ 1,161,838</u>	<u>\$ 1,204,145</u>	<u>\$ 42,307</u>

The following summarizes investment return and its classifications on the consolidated statement of activities:

	2021	2020
Interest, dividends and capital gains (losses)	\$ 9,737	\$ (1,588)
Loan and other interest income	33,157	60,388
Realized losses	39,606	(7,479)
Unrealized (losses) gains	<u>228,778</u>	<u>(1,347)</u>
Net realized/unrealized loss on investments	<u>268,384</u>	<u>(8,826)</u>
Investment fees	<u>(12,594)</u>	<u>(11,006)</u>
Total investment income	<u>\$ 298,684</u>	<u>\$ 38,968</u>
Reported as:		
Unrestricted	\$ 146,007	\$ 38,968
Restricted	<u>152,677</u>	<u>-</u>
	<u>\$ 298,684</u>	<u>\$ 38,968</u>

A significant portion of HRDC's investments are subject to the risk of value fluctuation that is inherent in the market. As such, the value of HRDC's assets may change frequently. To help manage this risk, HRDC utilizes professional investment management firms to oversee the HRDC portfolio and monitor its performance. Total investment fees paid to the investment managers were \$12,594 and \$11,006 for the years ended June 30, 2021 and 2020, respectively.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020

NOTE 5. FAIR VALUE MEASUREMENTS

The Organization has determined the fair value of its investments through the application of accounting standards for *Fair Value Measurements*. 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
- 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 measured at fair value. There have been no changes in methodologies used at June 30, 2021 and 2020.

Cash Held for Investment: valued at the balance held in this account.

Certificates of Deposit: valued at the closing price reported in the active market in which the instrument is traded.

Equity Securities: valued at the closing price reported on the active market on which the individual securities are traded.

Pledges Receivable: valued at fair value based on the net present value of expected future cash flows discount rate for a multi-year pledge.

Charitable Gift Annuities: valued at fair value based on the present value of the future payments over the beneficiaries' estimated remaining lives using the original discount rates at the date of the gift and applicable mortality tables.

Investment assets are classified in their entirety based upon the lowest level of input that is significant at the fair value measurement.

The following tables present by level, within the fair value hierarchy, HRDCs' investment assets at fair value, as of June 30, 2021.

	June 30, 2021				
	Fair Value	Level 1	Level 2	Level 3	Total
Cash held for investment	\$ 23,140	\$ 23,140	\$ -	\$ -	\$ 23,140
Equity securities:					
Mutual funds	1,002,310	1,002,310	-	-	1,002,310
Exchange-traded funds	523,762	523,762	-	-	523,762
Total investments at fair value	1,549,212	1,549,212	-	-	1,549,212
Pledges receivable	1,787,414	-	-	1,787,414	1,787,414
Total assets at fair value	<u>\$ 3,336,626</u>	<u>\$ 1,549,212</u>	<u>\$ -</u>	<u>\$ 1,787,414</u>	<u>\$ 3,336,626</u>

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020

NOTE 5. FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth by level, within the fair value hierarchy, HRDC's liabilities measured at fair value on a reoccurring basis as of June 30, 2021:

	Fair Value	Level 1	Level 2	Level 3	Total
Charitable gift annuity obligations	\$ 21,062	\$ -	\$ -	\$ 21,062	\$ 21,062

The following tables present by level, within the fair value hierarchy, HRDCs' investment assets at fair value, as of June 30, 2020.

	June 30, 2020				
	Fair Value	Level 1	Level 2	Level 3	Total
Cash held for investment	\$ 20,318	\$ 20,318	\$ -	\$ -	\$ 20,318
Equity securities:					
Mutual funds	747,145	747,145	-	-	747,145
Exchange-traded funds	436,682	436,682	-	-	436,682
Total investments at fair value	1,204,145	1,204,145	-	-	1,204,145
Pledges receivable	2,897,321	-	-	2,897,321	2,897,321
Total assets at fair value	\$ 4,101,466	\$ 1,204,145	\$ -	\$ 2,897,321	\$ 4,101,466

The following table sets forth by level, within the fair value hierarchy, HRDC's liabilities measured at fair value on a reoccurring basis as of June 30, 2020:

	Fair Value	Level 1	Level 2	Level 3	Total
Charitable gift annuity obligations	\$ 12,176	\$ -	\$ -	\$ 12,176	\$ 12,176

Changes in level 3 assets and liabilities for the years ended June 30, 2021 and 2020, are as follows:

	Pledges receivable	Charitable gift annuities
Balance, July 1, 2019	\$ 585,720	\$ 11,204
Additions	2,728,050	972
Payments	(321,230)	-
Changes in discount	(95,219)	-
Balance, June 30, 2020	2,897,321	12,176
Additions	397,700	8,886
Payments	(1,513,856)	-
Changes in discount	6,249	-
Balance, June 30, 2021	\$ 1,787,414	\$ 21,062

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020

NOTE 6. PROPERTY AND EQUIPMENT

Equipment purchased with grant funds is subject to rights of rescission of the grantors. Equipment purchased with grant monies is limited to use by the grant program that purchases the equipment. Should the program terminate, grantors may invoke claim to that equipment purchased through the grant agreement terms.

Property and equipment consisted of the following at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Furniture and equipment	\$ 580,663	\$ 777,332
Vehicles	6,640,630	4,789,454
Land and improvements	9,974,050	11,248,596
Buildings	12,209,151	17,527,638
Leasehold improvements	838,881	-
Less accumulated depreciation	<u>(9,651,049)</u>	<u>(11,083,323)</u>
Total land, buildings, equipment and vehicles	<u>20,592,326</u>	<u>23,259,697</u>
Software	139,440	139,440
Less accumulated depreciation	<u>(139,440)</u>	<u>(139,440)</u>
Total software	-	-
Construction in progress	<u>2,944,947</u>	<u>8,833,410</u>
Total property and equipment	<u>\$ 23,537,273</u>	<u>\$ 32,093,107</u>

Presented on the consolidated statement of financial position as:

Construction in progress	\$ 2,621,890	\$ 7,524,701
Construction in progress, federal constraints	323,057	1,308,709
Property and equipment, net, federal constraints	7,722,764	8,929,031
Property and equipment, net	<u>12,869,562</u>	<u>14,330,666</u>
Total	<u>\$ 23,537,273</u>	<u>\$ 32,093,107</u>

NOTE 7. UNEARNED REVENUE

Unearned revenue consists of cash received from grantors that was not earned as of June 30, 2021 and 2020. The activity in the unearned revenue account is as follows:

	<u>2021</u>	<u>2020</u>
Unearned revenue, beginning of year	\$ 3,050,725	\$ 2,830,925
Grant awards received	10,172,357	6,660,397
Grant expenditures	<u>(9,070,491)</u>	<u>(6,440,597)</u>
Gross unearned revenue, end of year	4,152,591	3,050,725
Less amount not received in cash	<u>(4,147,591)</u>	<u>(3,003,008)</u>
Net unearned revenue	<u>\$ 5,000</u>	<u>\$ 47,717</u>

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020

NOTE 8. NOTES PAYABLE

HRDC's notes payable at June 30, 2021 and 2020 are as follows:

		Original Loan Amount	2021 Balance Outstanding	2020 Balance Outstanding
Big Sky Western Bank		\$ 660,578	\$ 348,889	\$ 361,339
Original loan date	November 18, 1996			
Refinanced	April 29, 2010			
Modified	May 30, 2013			
Maturity date	May 5, 2040			
Monthly payment	\$ 2,233			
Interest rate	5.06%			
Terms	Resets every 7 years to 3.00% above the Federal Home Loan Bank Bullet Rate (2.06% at June 30, 2021 and 2020).			
Collateral	First lien on the West Babcock Apartments and guaranteed by HRDC.			
City of Bozeman Community Affordable Housing		\$ 150,000	\$ 27,082	\$ 32,916
Loan date	January 1, 1997			
Maturity date	January 1, 2027			
Monthly payment	\$ 417			
Interest rate	0.00%			
Collateral	Second lien on the West Babcock Apartments.			
U.S. Department of Agriculture - Rural Development		\$ 116,415	\$ 79,043	\$ 81,744
Loan date	October 6, 1999			
Maturity date	October 3, 2039			
Monthly payment	\$ 543			
Interest rate	4.75%			
Collateral	Revenue from the Livingston Child Care Center.			
U.S. Department of Agriculture - Rural Development		\$ 30,000	\$ 20,346	\$ 21,043
Loan date	October 6, 1999			
Maturity date	October 6, 2039			
Monthly payment	\$ 140			
Interest rate	4.75%			
Collateral	Revenue from the Livingston Child Care Center.			
U.S. Department of Agriculture - Rural Development		\$ 450,000	\$ 329,558	\$ 338,802
Loan date	February 1, 2002			
Maturity date	February 1, 2042			
Monthly payment	\$ 2,097			
Interest rate	4.75%			
Collateral	HRDC Central Office building and land.			
First Interstate Bank		\$ 152,800	\$ 50,969	\$ 58,653
Original loan date	December 28, 1999			
Refinanced	June 19, 2003			
Maturity date	May 1, 2028			
Monthly payment	\$ 893			
Interest rate	3.75%			
Terms	Resets every 5 years to .50% above the <i>Wall Street Journal</i> Prime Rate (3.25% at June 30, 2021 and 2020).			
Collateral	First lien on the Gallatin Valley Food Bank building and land.			

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020

NOTE 8. NOTES PAYABLE

		Original Loan Amount	2021 Balance Outstanding	2020 Balance Outstanding
Stockman Bank of Montana		\$ 252,287	\$ 177,693	\$ 188,365
Loan date	April 17, 2013			
Maturity date	May 17, 2033			
Monthly payment	\$ 1,633			
Interest rate	4.80%			
Terms	Resets every 10 years to 4.00% above the 5-year U.S. Treasury Constant Maturity Index (.29% and .29% at June 30, 2021 and 2020, respectively).			
Collateral	First lien on the HRDC Annex building.			
Big Sky Western Bank		\$ 275,000	\$ 130,922	\$ 138,081
Loan date	May 22, 2014			
Maturity date	May 20, 2034			
Monthly payment	\$ 1,709			
Interest rate	4.29%			
Terms	Resets every 5 years to 3.00% above the Federal Home Loan Bank Bullet Rate (1.21% at June 30, 2020 and 2019, respectively) with a floor of 4.29%.			
Collateral	First lien on the Fork & Spoon Homestyle Kitchen building, land, and all equipment, furniture, and fixtures.			
U.S. Department of Housing and Urban Development		\$ 438,100	\$ 438,100	\$ 438,100
Loan date	September 30, 2006			
Maturity date	January 1, 2037			
Monthly payment	The loan terms call for no payments with the loan balance forgiven at maturity if all compliance requirements are met. If default occurs, interest is 7% and the loan is due and payable without notice.			
Interest rate	0.00%			
Collateral	Summit Apartments.			
Community First Fund of Montana		\$ 92,500	\$ 81,391	\$ 83,487
Loan date	August 24, 2015			
Maturity date	September 1, 2045			
Monthly payment	\$ 415			
Interest rate	3.50%			
Collateral	First lien on the Youth Transitional Home building.			
Big Sky Western Bank		\$ 540,000	\$ 488,228	\$ 507,559
Loan date	July 14, 2017			
Maturity date	July 14, 2038			
Monthly payment	\$ 3,499			
Interest rate	4.78%			
Terms	Resets every 5 years to 2.50% above the Federal Home Loan Bank 5-year long-term fixed rate (.78% and 2.16% at June 30, 2020 and 2019, respectively) with a minimum rate of 4.78%.			
Collateral	First lien on the Belgrade Child Care Center building and land.			

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020

NOTE 8. NOTES PAYABLE (CONTINUED)

		<u>Original Loan Amount</u>	<u>2021 Balance Outstanding</u>	<u>2020 Balance Outstanding</u>
Big Sky Western Bank		\$ 1,342,500	\$ 1,213,923	\$ 1,265,237
Loan date	October 23, 2017			
Maturity date	October 23, 2037			
Monthly payment	\$ 8,978			
Interest rate	4.60%			
Terms	Resets every 5 years to 2.50% above the Federal Home Loan Bank 5-year long-term fixed rate (.78% and 2.16% at June 30, 2020 and 2019, respectively) with a minimum rate of 4.60%.			
Collateral	First lien on the Cottages at Menicucci Square buildings and land.			
First Security Bank		\$ 5,239,537	\$ -	\$ 699,607
Loan date	December 20, 2018			
Modified	August 21, 2020			
Maturity date	June 18, 2040			
Interest rate	5.25%			
Terms	Note is a construction loan with multiple draws, up to a maximum of \$5,239,537. Due in monthly installments beginning September 18, 2021 of \$4,881.			
Collateral	Deed of trust on 18 condominiums and land for the Meadowview Development in Big Sky, MT.			
First Security Bank		\$ 6,221,027	\$ -	\$ 2,656,362
Loan date	September 23, 2019			
Modified	August 21, 2020			
Maturity date	March 23, 2041			
Interest rate	5.00%			
Terms	Note is a construction loan with multiple draws, up to a maximum of \$6,221,027. Due in monthly installments beginning September 23, 2021 of \$42,660.			
Collateral	Deed of trust on 52 condominiums and land for the Meadowview Development in Big Sky, MT.			
First Security Bank		\$ 1,125,000	\$ 1,125,000	\$ 1,125,000
Loan date	July 6, 2018			
Maturity date	July 6, 2022			
Monthly payment	\$ 4,922			
Interest rate	5.25%			
Terms	Principal due upon maturity. Monthly interest payments beginning August 6, 2018 until maturity.			
Collateral	Deed of trust dated July 6, 2018, on to a trustee in favor of Lender on 5.73 acres of land located in Bozeman, MT.			
Private Loan		\$ 890,100	\$ 890,100	\$ 890,100
Loan date	October 2, 2018			
Maturity date	October 2, 2022			
Monthly payment	\$ 1,484			
Interest rate	2.00%			
Terms	Note agrees to loan up to \$1,000,000. Principal due upon maturity. Monthly interest only payment.			
Collateral	Deed of trust to a trustee in favor of Lender on real property located in Gallatin County, MT.			

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020

NOTE 8. NOTES PAYABLE (CONTINUED)

		<u>Original Loan Amount</u>	<u>2021 Balance Outstanding</u>	<u>2020 Balance Outstanding</u>
US Department of Housing and Urban Development, Mortgage Restructuring Loan		\$ 388,532	\$ -	\$ 293,050
Loan date	May 12, 1999			
Maturity date	July 1, 2029			
Interest rate	1.00%			
Terms	Payments dependent on remaining cash from operations.			
Collateral	Secured by second lien on Miles Building Apartments.			
Montana Board of Housing		\$ 550,000	\$ -	\$ 274,661
Loan date	May 6, 1999			
Maturity date	June 1, 2029			
Monthly payment	\$ 3,298			
Interest rate	6.00%			
Collateral	Secured by first lien on Miles Building Apartments.			
First Security Bank		\$ 3,111,200	\$ -	\$ 1,892,640
Loan date	May 28, 2019			
Maturity date	November 28, 2020			
Interest rate	5.34%			
Terms	Note is a construction loan up to a maximum of \$3,111,200. Principal and accrued interest due upon maturity.			
Collateral	Secured by Willow Springs property.			
First Security Bank		\$ 2,498,492	\$ 142,529	\$ 6,433
Loan date	May 14, 2020			
Maturity date	November 14, 2021			
Interest rate	4.59%			
Terms	Note is a construction loan up to a maximum of \$2,498,492. Principal and accrued interest due upon maturity.			
Collateral	Secured by Willow Springs property.			
First Security Bank		\$ 423,750	\$ 407,221	\$ 416,527
Loan date	August 23, 2019			
Maturity date	August 23, 2044			
Monthly payment	\$ 2,477			
Interest rate	5.00%			
Terms	Resets every 5 years to 2.75% above the Federal Home Loan Bank 5-year long-term fixed rate (currently at 0.78%) with a minimum rate of 5.00%.			
Collateral	Deed of trust dated August 23, 2019 on property located at 214 & 216 N. 15th Ave located in Bozeman, MT.			
First Security Bank		\$ 407,000	\$ 407,000	\$ 407,000
Loan date	April 16, 2020			
Maturity date	April 16, 2022			
Interest rate	1.00%			
Terms	Due in monthly installments beginning September 16, 2021 of \$22,904; Loan is a payroll protection program (PPP) loan, subject to forgiveness upon meeting certain criteria.			
Collateral	Loan is unsecured.			

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020

NOTE 8. NOTES PAYABLE (CONTINUED)

		<u>Original Loan Amount</u>	<u>2021 Balance Outstanding</u>	<u>2020 Balance Outstanding</u>
First Security Bank		\$ 585,000	\$ 585,000	\$ 585,000
Loan date	June 26, 2020			
Maturity date	June 26, 2022			
Interest rate	4.59%			
Terms	Principal and accrued interest due upon maturity.			
American Bank		\$ 950,000	\$ -	\$ 751,195
Loan date	December 30, 2019			
Maturity date	December 31, 2020			
Interest rate	4.75%			
Terms	Note is a construction loan up to a maxium of \$950,000. Principal and accrued interest due upon maturity.			
Collateral	Secured by Livingston Housing Development property.			
Private Loan		\$ 1,471,512	\$ -	\$ 1,471,512
Loan date	August 30, 2019			
Maturity date	August 30, 2022			
Interest rate	2.00%			
Terms	Monthly interest only payments. Principal and accrued interest due upon maturity.			
Private Loan		\$ 3,000,000	\$ -	\$ 3,000,000
Loan date	August 31, 2019			
Maturity date	August 31, 2024			
Interest rate	6.00%			
Terms	Monthly interest only payments. Principal and accrued interest due upon maturity.			
Yellowstone Bank		\$ 1,462,500	\$ 1,399,207	\$ -
Loan date	July 10, 2020			
Maturity date	July 10, 2035			
Monthly payment	\$ 10,820			
Interest rate	4.00%			
Terms	Monthly principal and interest. Principal and accrued interest due upon maturity. Interest rate changes to 3.5% above the FHLB Des Moines 5 year fixed-rate regular advance rate after 60 months and is subject to change.			
Collateral	Secured by 805 Wheat Drive property in Bozeman, MT.			
Bear Dog Group LLC		\$ 473,315	\$ 404,148	\$ -
Loan date	July 9, 2020			
Maturity date	July 9, 2023			
Interest rate	2.00%			
Terms	Monthly interest only payments. Principal and accrued interest due upon maturity.			
Collateral	Secured by 805 Wheat Drive property in Bozeman, MT.			

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020

NOTE 8. NOTES PAYABLE (CONTINUED)

		<u>Original Loan Amount</u>	<u>2021 Balance Outstanding</u>	<u>2020 Balance Outstanding</u>
First Security Bank		\$ 656,250	\$ 647,386	\$ -
Loan date	October 30, 2020			
Maturity date	November 1, 2030			
Monthly payment	\$ 3,534			
Interest rate	4.19%			
Terms	Monthly principal and interest payments. Principal and accrued interest due upon maturity. The interest rate is subject to change to 3.250% above the FHLB Des Moines 5 year long-term fixed rate advance index (currently at 0.760%).			
Collateral	Deed of trust on property located at 40 Jardine Rd in Gardiner, MT.			
Neighborworks Montana		\$ 220,000	\$ 220,000	\$ -
Loan date	February 17, 2021			
Maturity date	February 28, 2023			
Interest rate	6.50%			
Terms	Quarterly interest only payments. Principal and accrued interest due upon maturity.			
Collateral	Property located at 40 Jardine Rd in Gardiner, MT.			
Neighborworks Montana		\$ 200,000	\$ 197,668	\$ -
Loan date	September 29, 2020			
Maturity date	October 1, 2050			
Monthly payment	\$ 955			
Interest rate	4.00%			
Terms	Monthly principal and interest payments. Principal and accrued interest due upon maturity.			
Collateral	Property known as 104 West Reservoir Street, Units (A-L) located in the Livingston Land Trust Subdivision in Park County, Montana.			
MT Board of Housing		\$ 900,000	\$ 888,670	\$ -
Loan date	September 29, 2020			
Maturity date	October 1, 2050			
Monthly payment	\$ 4,072			
Interest rate	3.56%			
Terms	Monthly principal and interest payments. Principal and accrued interest due upon maturity.			
Collateral	Property known as 104 West Reservoir Street, Units (A-L) located in the Livingston Land Trust Subdivision in Park County, Montana.			
Total notes payable		<u>\$ 10,700,073</u>	<u>\$ 17,984,413</u>	

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020

NOTE 8. NOTES PAYABLE (CONTINUED)

Annual maturities for the fiscal years ending June 30 are as follows:

2022	\$ 2,512,291
2023	1,373,965
2024	679,562
2025	287,106
2026	300,345
Thereafter	5,546,804
	<u>\$ 10,700,073</u>

On April 16, 2020, HRDC received loan proceeds in the amount of \$407,000 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), provides for loans to qualifying organizations for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels.

The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the covered period. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first ten months following the end of the covered period. While HRDC currently believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan, it is possible HRDC may be ineligible for forgiveness of the loan in whole or in part.

In addition, HRDC uses corporate unrestricted funds received from donations and other sources to finance housing programs and social programs through intercompany loans. The loans bear interest at rates of 0 to 8 percent and carry terms of various lengths.

A summary of intercompany loans from HRDC funds is as follows:

	<u>Original Loan Amount</u>	<u>2021 Balance Outstanding</u>	<u>2020 Balance Outstanding</u>
Sherwood Inn Apartments, Inc. loan - Corporate funds	\$ 444,269	\$ -	\$ 223,853
Loan date	February 1, 2004		
Maturity date	February 1, 2034		
Annual payment	\$ 17,215		
Interest rate	1.00%		
Collateral	Sherwood Inn Apartments		
Sherwood Inn Apartments, Inc. loan - Corporate funds	\$ 142,642	\$ -	\$ 79,542
Loan date	August 30, 2012		
Maturity date	September 1, 2027		
Annual payment	\$ 1,055		
Interest rate	4.00%		
Collateral	Sherwood Inn Apartments		

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020

NOTE 8. NOTES PAYABLE (CONTINUED)

	Original Loan Amount	2021 Balance Outstanding	2020 Balance Outstanding
Sherwood Inn Apartments, Inc. loan - Smyth funds	\$ 250,000	\$ -	\$ 139,406
Loan date	August 30, 2012		
Maturity date	September 1, 2027		
Annual payment	\$ 1,849		
Interest rate	4.00%		
Collateral	Sherwood Inn Apartments		
Home Corporation (West Babcock Apartments) - Smyth funds	\$ 200,000	\$ 161,192	\$ 167,138
Loan date	April 29, 2013		
Maturity date	May 5, 2040		
Annual payment	\$ 1,034		
Interest rate	4.21%		
Collateral	West Babcock Apartments		
Miles LP - Miles Building, Inc. CDBG Loan	\$ 500,000	\$ 500,000	\$ 500,000
Original date of loan	July 1, 2002		
Loan acquired in acquisition	January 1, 2019		
Maturity date	July 1, 2042		
Annual payment	Loan deferred until available cash flow and reserves are funded		
Interest rate	5.70%		
Collateral	Secured by revenues of Miles Limited Partnership		
Miles LP - Miles Building, Inc. Equity Loan	\$ 259,947	\$ -	\$ 251,729
Original date of loan	December 4, 2001		
Loan acquired in acquisition	January 1, 2019		
Maturity date	December 4, 2041		
Annual payment	Loan deferred until available cash flow and reserves are funded		
Interest rate	1.00%		
Collateral	Secured by revenues of Miles Limited Partnership		
Miles LP - Miles Building, Inc. Reserves Loan	N/A	\$ -	\$ 63,920
Original date of loan	March 31, 2013		
Loan acquired in acquisition	January 1, 2019		
Maturity date	Not Specified		
Annual payment	Loan deferred until available cash flow and reserves are funded		
Interest rate	0.00%		
Collateral	Secured by revenues of Miles Limited Partnership		
Total long-term intercompany notes payable		<u>\$ 661,192</u>	<u>\$ 1,425,588</u>

There are no intercompany loans due within the next five years.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020

NOTE 8. NOTES PAYABLE (CONTINUED)

Other temporary intercompany loans provided from HRDC funds are as follows:

	<u>2021</u>	<u>2020</u>
Other temporary intercompany loans		
Miles Building, Inc. 0%	\$ -	\$ 151,713
Koch Home 8%	16,300	18,952
Blueprint N15th Houses	192,463	-
HRDC Annex Building 0%	145,355	145,355
Fork & Spoon Building 0%	100,208	100,208
Belgrade Head Start Center 0%	317,638	317,638
Cottages at Menicucci Square 0%	550,584	519,147
Boulevard Apartments 0%	-	34,703
Livingston Land Trust Cottages	173,790	-
Total temporary intercompany loans	<u>\$ 1,496,338</u>	<u>\$ 1,287,716</u>

NOTE 9. LEASES

HRDC classifies its leases as either operating or capitalized leases. Currently all leases are operating leases. Office space in Livingston, Montana is leased for \$500 per month to effectively serve the Livingston community with HRDC programs and services. The lease renews on an annual basis.

HRDC also began leasing a networked copier/printer system for \$1,573 per month under a 5-year term beginning March 2012. This lease has been renewed through October 2022.

HRDC entered into a lease agreement for parking space for the Fork & Spoon in October 2015 continuing through September 2021. Rent is \$1,100 per month.

HRDC entered into a lease agreement in January 2018 for facilities used by the Big Sky Food Bank that expired December 31, 2020. The lease was month-to-month until it was renewed in May 2021 and expires in April 2024. Rent under the agreement is \$2,426 per month for the first year; \$2,547 per month for the second year; and \$2,674 for the third year.

HRDC entered into a month-to-month lease agreement in September 2015 for lot rental for the Youth Transitional Home. Rent is \$400 per month.

HRDC entered into a lease agreement in April 2017 to lease land in Three Forks for 20 years for \$100 per month.

HRDC entered into a month-to-month lease agreement in October 2018 for office space in Helena for \$260 per month.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020

NOTE 9. LEASES (CONTINUED)

HRDC entered into a month-to-month lease agreement in November 2018 for seven additional offsite parking spaces for \$350 per month through November 2019. This lease has been renewed on a month-to-month basis.

HRDC entered into a lease agreement in January 2019 for office space that expires December 31, 2019 for \$1,300 per month. This lease has been renewed through December 2021 for \$1,313 per month.

HRDC entered into a lease agreement in February 2019 for office space that expires September 30, 2021 for \$2,200 per month. Rent will be adjusted annually with the consumer price index rate.

HRDC entered into a lease agreement in December 2019 for a warming center in Bozeman that expires December 2024 for \$10,300 per month. Monthly payments increase to \$10,609 on January 1, 2022 with 3% increases each year.

HRDC entered into a lease agreement in January 2021 for satellite equipment for the Bozeman warming shelter that expires January 2026. Monthly payments are \$147.

HRDC entered into a lease agreement in March 2021 for copiers that expires March 2024. Monthly payments are \$135.

HRDC entered into a lease agreement in March 2021 for a digital meter system through June 2025. Monthly payments are \$170.

Rent expense totaled \$211,452 and \$180,732 for 2021 and 2020, respectively. Future minimum payments due under lease agreements is as follows:

Year ending June 30,

2022	\$ 196,344
2023	169,648
2024	164,335
2025	70,831
2026	2,229
Thereafter	13,000
	<u>\$ 616,387</u>

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020

NOTE 10. EMPLOYEE BENEFITS

HRDC employees may participate in a Code Section 401(k) Retirement Plan.

401(k) Retirement Plan

Employees are eligible to make elective deferrals upon meeting the plan's hour and service requirements and can contribute up to the maximum amount allowed by law. Employees meeting the plan's hour and service requirements are eligible for employer matching contributions. HRDC matches employee contributions up to 7% of the employee's salary.

Employer matching contributions vest as follows:

<u>Years of Service</u>	<u>Non-forfeitable</u>
Less than 1 year	0%
One year	33%
Two years	67%
Three years	100%

For the years ended June 30, 2021 and 2020, HRDC contributed \$230,878 and \$184,030 in matching contributions to the 401(k) Retirement Plan.

Health Insurance

HRDC participates in a Group Health Benefit Plan (Health Plan) which provides eligible employees and their dependents with medical insurance. Employees can choose between a traditional plan where the Health Plan has a \$2,500 deductible provision whereby the first \$2,500 of medical expense annually is paid by the employee or a high deductible plan with \$3,500 deductible. Any cost in excess of the deductible is covered through an insurance policy from an insurance provider. HRDC paid \$506,601 and \$470,242 for insurance premiums for the years ended June 30, 2021 and 2020, respectively. The employee maximum annual responsibility for the traditional plan and high deductible plan is \$4,500 for single coverage and \$9,000 for family coverage, respectively.

NOTE 11. LAND TRUSTS

Bozeman, Montana

HRDC created the West Babcock Land Trust in Bozeman, Montana in 1994 upon which twenty-three homes have been constructed and sold to income-eligible individuals (including three homes constructed by Habitat for Humanity). The purpose of the Land Trust is to provide housing that is permanently affordable to low-and-moderate income levels, while creating home ownership opportunities. HRDC is able to stimulate the availability of long-term affordable housing through the use of long-term Ground Leases.

HRDC retains title to the Land, and shares in the equity of the home with eligible individuals who purchase the homes for a price based upon their ability to pay. The total equity is determined by independent appraisals.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020

NOTE 11. LAND TRUSTS (CONTINUED)

Bozeman, Montana (Continued)

A summary of sales prices and equity percentages are as follows:

	<u>2021</u>	<u>%</u>	<u>2020</u>	<u>%</u>
Appraised value of homes at the time of purchase (excluding land)	\$ 2,450,300	100.0%	\$ 2,450,300	100.0%
Sales price to individuals	<u>2,077,425</u>	84.8%	<u>2,077,425</u>	84.8%
Balance of equity to HRDC	<u>\$ 372,875</u>	15.2%	<u>\$ 372,875</u>	15.2%

When the individuals sell their homes, they must sell either to HRDC or to other income-eligible individuals. Proceeds from a sale are allocated between the individual and HRDC in the relative proportion of equity at the time of purchase in accordance with the Ground Lease Agreement.

Each homeowner has signed a 99-year renewable Ground Lease which is paid in semiannual installments of \$180. Lease payments billed during the years ending June 30, 2021 and 2020 totaled \$8,280 per year.

HRDC has agreed to act as a guarantor on two individual Deeds of Trust with local lenders with a combined original mortgage amount of \$95,600 as of June 30, 2021 and 2020. HRDC serves as a guarantor in order to secure financing for purchasers of these affordable homes. HRDC's guarantee is secured by land held in the Land Trust.

HRDC created the Willow Springs Land Trust in Bozeman, Montana in 2019-2020, upon which up to twenty-four townhomes were constructed and sold to income-eligible individuals. The construction of the townhomes was facilitated by program revenue from a previous Neighborhood Stabilization Program grant from the U.S. Department of Housing and Urban Development (HUD) through the Montana Department of Commerce. Twelve townhome units were completed in Phase 1, and nine townhomes sales to individuals had been finalized as of June 30, 2020. The remaining twelve townhome units were completed in Phase 2, and all but one of the townhomes had been sold as of June 30, 2021.

A summary of sales prices and equity percentages for the homes sold are as follows:

	<u>2021</u>	<u>%</u>	<u>2020</u>	<u>%</u>
Appraised value of homes at the time of purchase (excluding land)	\$ 5,852,049	100.0%	\$ 2,137,500	100.0%
Sales price to individuals	<u>5,777,049</u>	98.7%	<u>2,062,500</u>	100.0%
Balance of equity to HRDC	<u>\$ 75,000</u>	1.3%	<u>\$ 75,000</u>	100.0%

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020

NOTE 11. LAND TRUSTS (CONTINUED)

Livingston, Montana

HRDC created a Land Trust in Livingston, Montana in 1998, upon which up to twenty-two homes may be constructed and sold to income-eligible individuals. The construction of the homes was facilitated by a HOME grant from the U.S. Department of Housing and Urban Development (HUD) through the Montana Department of Commerce. Eighteen homes were completed and sales to individuals were finalized. During fiscal year 1997, land valued at \$90,000 was donated to HRDC for the Livingston Land Trust.

A summary of sales prices and equity percentages for the homes sold are as follows:

	<u>2021</u>	<u>%</u>	<u>2020</u>	<u>%</u>
Appraised value of homes at the time of purchase (excluding land)	\$ 913,500	100.0%	\$ 913,500	100.0%
Sales price to individuals	<u>837,522</u>	91.7%	<u>837,522</u>	91.7%
Balance of equity to HRDC	<u>\$ 75,978</u>	8.3%	<u>\$ 75,978</u>	8.3%

Each homeowner has signed a 99-year renewable Ground Lease which includes provisions required for use with homeowner mortgages insured by HUD/Federal Housing Authority.

Big Sky, Montana

HRDC created the Meadowview Land Trust in Big Sky, Montana in 2019-2020, upon which up to fifty-two condominium homes may be constructed and sold to income-eligible individuals. The construction of the condominium units was facilitated by grant funding from the Big Sky Resort Area District. Eighteen condominium units were completed in Phase 1, and sales to individuals were finalized during the year ending June 30, 2020. An additional 33 units were completed in Phase 2, and all but one unit was sold at June 30, 2021.

A summary of sales prices and equity percentages for the homes sold are as follows:

	<u>2021</u>	<u>%</u>	<u>2020</u>	<u>%</u>
Appraised value of homes at the time of purchase (excluding land)	\$ 13,995,000	100.0%	\$ 4,756,600	100.0%
Sales price to individuals	<u>13,310,034</u>	95.1%	<u>4,071,634</u>	85.6%
Balance of equity to HRDC	<u>\$ 684,966</u>	4.9%	<u>\$ 684,966</u>	14.4%

NOTE 12. RISK MANAGEMENT

HRDC faces a number of risks including (1) loss or damage to property, (2) general liability, and (3) employee medical insurance. Commercial insurance policies are purchased for loss or damage to property, general liability, and employee medical insurance to manage these risks.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020

NOTE 13. PLANNED GIFT LIABILITIES

The liability of each type of planned gift changes each year with receipts of new gifts, payments under contracts, change in trust asset values, and the change in present value of required payments to beneficiaries. The present value of the future payments over the beneficiaries' estimated remaining lives was calculated using the original discount rates at the date of the gift and applicable mortality tables. The discount rate used in the calculation was 2.6%.

The following table summarizes the change to planned gift liabilities for the year ended June 30, 2021 and 2020:

Estimated present value of liability at July 1, 2018	\$ 3,882
Increase in estimated present value of liability from contributions	<u>7,322</u>
Estimated present value of liability at July 1, 2019	11,204
Increase in estimated present value of liability from contributions	<u>972</u>
Estimated present value of liability at June 30, 2020	12,176
Increase in estimated present value of liability from contributions	<u>8,886</u>
Estimated present value of liability at June 30, 2021	<u>\$ 21,062</u>

HRDC is subject to certain provisions of the Montana Code Annotated which specify that a charitable organization may only issue a "qualified charitable gift annuity" if it meets the following statutory requirements on the date of the annuity agreement:

- Has a minimum of \$300,000 net assets or has a minimum of \$100,000 in unrestricted cash, cash equivalents, or publicly traded securities, exclusive of the assets funding the annuity agreement;
- Has been in continuous operation for at least three years or is a successor or affiliate of a charitable organization that has been in continuous operation for at least three years; and
- Maintains a separate annuity fund with at least one-half the value of the initial amount transferred for outstanding annuities.

If the charitable organization cannot meet the requirements, the issuance of a qualified charitable gift annuity by a charitable organization must be commercially insured by a licensed insurance company that is qualified to do business in Montana.

For the year ended June 30, 2021, HRDC met the requirements to issue qualified charitable gift annuities.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020

NOTE 14. ENDOWMENT NET ASSETS

HRDC maintains endowments within its donor-restricted net assets established for the greatest needs of HRDC. Contributions to the endowment funds are subject to donor restrictions that stipulate the original principal of the gift is to be held and invested by HRDC indefinitely, and income from the fund is to be expended for the greatest needs of HRDC. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

HRDC 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, HRDC classifies as donor-restricted net assets (a) the original value of gifts donated to the permanent endowment, and (b) the original value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified in donor-restricted net assets is classified as net assets without donor restrictions until those amounts are appropriated for expenditure by the HRDC in a manner consistent with the standard of prudence prescribed by MUPMIFA.

In accordance with MUPMIFA, HRDC considers the following factors when making a determination to appropriate or accumulate donor-restricted endowment funds.

- The duration and preservation of the fund
- The purpose of HRDC and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of HRDC
- The investment policies of HRDC

Funds with Deficiencies

From time to time, the fair value of assets associated with the endowment funds may fall below the level that the donor or MUPMIFA requires HRDC to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in net assets without donor restrictions.

These deficiencies result from unfavorable market fluctuations that occur during the investment of contributions and continued appropriation, if any, for certain programs that are deemed prudent by the Board of Directors. There were no such deficiencies as of June 30, 2021 and 2020.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020

NOTE 14. ENDOWMENT NET ASSETS (CONTINUED)

Return Objectives and Risk Parameters

HRDC 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 organization must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy, endowment assets are invested in a manner that is intended to produce results that exceed the market rate while assuming a prudent level of investment risk. The HRDC targets an asset allocation of fixed-income and cash equivalents until the balances in the endowment are great enough for investment.

Spending Policy and How the Investment Objectives Relate to Spending Policy

HRDC's spending policy allows an annual distribution not to exceed the average net earnings, growth, and income. Any portion of the annual distribution funds not distributed in any given year will be retained in the endowment fund for expenditure in future years. The HRDC expects its spending policy to allow the endowment to grow and to maintain the purchasing power of the endowment assets. No funds were distributed in 2021 and 2020.

Endowment net asset composition by type of fund as of June 30, 2021 and 2020 are as follows:

	<u>With Donor Restrictions</u>
<u>2021</u>	
Donor-restricted endowment funds	<u>\$ 209,128</u>
<u>2020</u>	
Donor-restricted endowment funds	<u>\$ 169,354</u>

Changes in HRDC General Endowment net assets for the years ended June 30, 2021 and 2020 are as follows:

	<u>With Donor Restrictions</u>
Endowment net assets, July 1, 2019	\$ 160,145
Contributions and transfers	<u>9,209</u>
Endowment net assets, June 30, 2020	169,354
Contributions and transfers	<u>39,774</u>
Endowment net assets, June 30, 2021	<u>\$ 209,128</u>

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020

NOTE 15. RELATED PARTIES

HRDC is the non-profit general partner of the Bridger Peaks Village Associates, LP and Stoneridge Apartments, LP. HRDC entered into these limited partnership agreements to facilitate the construction and operation of low-income housing partially financed by the sale of low-income housing tax credits. HRDC has a 0.01 percent ownership interest in the Bridger Peaks Village Associates, LP and Stoneridge Apartments, LP.

HRDC is not considered to have any liability nor asset relating to its interests in the Bridger Peaks Village Associates or Stoneridge Apartments, LP.

In August 2011, HRDC's Board of Directors approved the divestiture of HRDC's Community First Fund program to the Community First Fund of Montana, a separate 501(c)(4) not-for-profit corporation. The Chief Executive Officer and the past Chief Executive Officer of HRDC make up two of three board members of the Community First Fund of Montana. HRDC's Community First Fund program was founded in 1999 through support from the Willow Springs Foundation. The program was created out of previous HRDC community development initiatives with a goal of generating funds that were available for projects with fewer restrictions than State and Federal funding sources. HRDC's Community First Fund was designed to encourage growth and positive elements within the region through enhanced job creation, business promotion, construction of affordable housing, and establishing enduring physical and social institutions.

NOTE 16. CONCENTRATION OF RISK

HRDC has invested in apartment complex buildings and equipment with a cost basis of \$6,180,198 and net book value of \$3,894,477 as of June 30, 2021, representing a concentration in the real estate rental market. Additionally, the low-income housing sector operates in a heavily regulated environment which is subject to the directives, rules, and regulations of federal, state, and local regulatory agencies, which could change with little notice.

For the year ended June 30, 2021, revenues generated from rental operations were \$2,148,133 or four percent of the HRDC's total revenues. Corresponding debt service payments made to third parties were \$5,122,484 for the year with total outstanding debts related to the apartment units of \$3,114,332, or 24-percent, of HRDC's total liabilities. If there was a change in the demand for rental housing in the area, or change in federal, state, or local regulations, it could adversely affect the operations of HRDC.

HRDC receives a significant portion of its revenue from grants from government agencies; thus, HRDC is subject to possible cutbacks due to changes in funding priorities. During the years ended June 30, 2021 and 2020, HRDC received approximately 19% and 24%, respectively, of its gross public support from such grants.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020

NOTE 17. RISKS AND UNCERTAINTIES

The COVID-19 outbreak in the United States of America has caused business disruption to HRDC. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the financial impact of the disruption. At this time, HRDC cannot reasonably estimate the financial impact of COVID-19 on its overall operations.

NOTE 18. SUBSEQUENT EVENTS

During July 2021, construction activity was substantially completed on HRDC's Meadowview condominium development project, which produced a total of 52 new affordable workforce housing units in Big Sky. As the Phase 2 condominium units were being completed, they were sold to qualifying homebuyers who will live and work in Big Sky. The sales proceeds were first applied to completely repay the construction loan balance with First Security Bank, a Division of Glacier Bank. The last of the 52 condominium units was sold on July 22, 2021.

Also during July 2021, construction activity was substantially completed on HRDC's Willow Springs Planned Unit Development, which produced a total of 24 new affordable townhouse units in Bozeman. As the Phase 2 townhouse units were being completed, they were sold to qualifying homebuyers, with the sales proceeds first applied to completely repay the construction loan balance with First Security Bank, a Division of Glacier Bank. The last of the 24 townhouse units was sold on July 21, 2021.

In August of 2021, the PPP loan of \$407,000 was fully forgiven by the SBA and First Security Bank. As a result, the loan was reclassified from loans payable and recognized as federal grant revenue in fiscal year 2022.

In addition, predevelopment and construction activity has continued on future facilities of HRDC currently under development. In November 2021, construction activity was substantially completed on Phase 1 of the tiny house development known as Housing First Village, consisting of the first 12 tiny house units on a land parcel previously purchased by HRDC in June 2020. Construction on 7 additional units in Phase 2 is currently underway. Predevelopment, design and engineering activities have also continued to progress on another land parcel previously acquired by HRDC for future construction of a new Food and Resource Center and expansion of other facilities, jointly known as Community First Griffin Place.

On February 28, 2022, HRDC entered into a Buy-Sell Agreement to purchase real property on Wheat Drive. The agreement includes a due diligence phase which HRDC is currently conducting, and a series of contingencies to be released at the conclusion of the due diligence period (June 30, 2022). This due diligence includes a physical inspection, appraisal, financing, and Board of Director approval contingency.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2021 and 2020

NOTE 18. SUBSEQUENT EVENTS (CONTINUED)

If the due diligence phase is successful, HRDC leadership will recommend approval to the Board of Directors with a September 30, 2022 closing date. If the due diligence phase is unsuccessful, HRDC leadership will notify the seller that the contingencies will not be released prior to the close of the period and the \$50,000 earnest money deposit will be returned to HRDC.

On March 16, 2022, HRDC closed on a New Market Tax Credit enhanced financing package that will allow HRDC to develop and build a new Food and Resource Center facility. The transaction allows HRDC to become the Guarantor and Leverage Lender for the land and project, which was transferred at closing to the HRDC Griffin Place Holding Corporation, the Qualified Active Low-Income Community Business, and owner of the real property. Other transaction participants include a New Market Tax Credit Investor, First Security Bank, a Division of Glacier Bank, a Community Development Entity and Managing Member of the Sub-CDE, the Montana Community Development Corporation (dba MoFi), and a Tax Credit Advisor, United Fund Advisors. This structure includes total net proceeds from the New Market Tax Credits of \$2.33 million for HRDC. The investment fund structure is 100% owned and managed by the investor and the proceeds are used to finance the development and construction of the Food and Resource Center. Following the seven-year interest only and compliance period, the Investor will have an option to put its ownership interest in the Investment Fund to the purchase for a nominal price. Once exercised, HRDC will retain 100% ownership.

Management has evaluated events through April 22, 2022, the date on which the financial statements were available for issue.

SUPPLEMENTAL INFORMATION

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
EXPLANATION OF SUPPLEMENTAL SCHEDULES
June 30, 2021 and 2020

NOTE 1. BUDGET COLUMN

The grant award budget column is based upon the last formally approved budget provided by the grantor. In addition, the grantee is allowed to make certain budget transfers within prescribed limits. These latter transfers are not reflected herein. The intention of HRDC is to show the budget based upon the final budget including all transfers, to provide a more meaningful presentation to the reader.

NOTE 2. EXPLANATION OF ACRONYMS

Acronyms used in the grant number indicate the grantor agency. Acronyms used in the supplemental schedules follow:

CDBG = Community Development Block Grant
CSBG = Community Service Block Grant
DOC = Montana Department of Commerce
DOE = U.S. Department of Energy
DOLI = Montana Department of Labor and Industry
DOT = U.S. Department of Transportation
DPHHS= Montana Department of Public Health and Human Services
FEMA = Federal Emergency Management Agency
FTA = Federal Transit Administration
HHS = U.S. Department of Health and Human Services
HUD = U.S. Department of Housing and Urban Development
LIEAP = Low-income Energy Assistance Program
MBOH = Montana Board of Housing
MDT = Montana Department of Transportation
RSVP = Retired Senior Volunteer Program
TANF = Temporary Assistance to Needy Families
WIA = Workforce Investment Act
WX = Weatherization

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
June 30, 2021

	HRDC	HRDC Properties	Disregarded Entities (LLCs)	Home Corporation	Miles Building, Inc.	Miles, LP	Darlington Apts., Inc.	Darlington Manor HP- HRDC, LP	Sherwood Inn Apts., Inc.	Summit Apts., Inc	Eliminations	Consolidated Total
ASSETS												
Cash and cash equivalents	\$ 4,249,007	\$ 190,704	\$ (260,689)	\$ 34,003	\$ 1,071,839	\$ 385,648	\$ 18,901	\$1,655,799	\$ 861,638	\$ 25,821	\$ -	\$ 8,232,671
Escrow and building reserve	-	33,304	-	147,436	-	41,848	-	84,758	21,335	79,949	-	408,630
Cash restricted for capital campaign	2,064,390	-	-	-	-	-	-	-	-	-	-	2,064,390
Receivables (Note 3)												
Grantors	2,196,781	-	-	-	-	-	-	-	-	-	-	2,196,781
Accounts receivable, net	1,773,669	82,455	3,137,693	3,070	-	12,434	-	13,244	5,489	466	(3,256,612)	1,771,908
Pledges receivable, net	1,787,414	-	-	-	-	-	-	-	-	-	-	1,787,414
Prepaid expenses	213,220	9,257	-	2,013	-	7,353	-	33,615	10,266	286	-	276,010
Investments (Note 4)	1,549,212	-	-	-	-	-	-	-	-	-	-	1,549,212
Inventory - supplies and food bank	313,998	-	-	-	-	-	-	-	-	-	-	313,998
Inventory - condominiums, federal constraints	406,527	-	-	-	-	-	-	-	-	-	-	406,527
Inventory - condominiums	84,136	-	-	-	-	-	-	-	-	-	-	84,136
Deferred loans receivable, net (Note 3)	3,708,386	905,805	1,332,000	-	500,000	1,416,514	-	121,000	282,849	-	(2,157,530)	6,109,024
Investment in partnership	7,037,444	-	1	-	312,083	-	-	-	-	-	(7,349,528)	-
Construction in progress (Note 6)	2,621,890	-	-	-	-	-	-	-	-	-	-	2,621,890
Construction in progress, federal constraints (Note 6)	323,057	-	-	-	-	-	-	-	-	-	-	323,057
Property and equipment, net, federal constraints (Note 6)	6,937,251	-	-	478,957	-	-	-	-	49,094	257,462	-	7,722,764
Property and equipment, net (Note 6)	9,958,040	2,909,720	-	-	-	-	-	-	-	1,802	-	12,869,562
Total assets	<u>\$ 45,224,422</u>	<u>\$ 4,131,245</u>	<u>\$ 4,209,005</u>	<u>\$ 665,479</u>	<u>\$ 1,883,922</u>	<u>\$ 1,863,797</u>	<u>\$ 18,901</u>	<u>\$1,908,416</u>	<u>\$ 1,230,671</u>	<u>\$ 365,786</u>	<u>\$ (12,763,670)</u>	<u>\$ 48,737,974</u>
LIABILITIES												
Accounts payable	\$ 1,262,750	\$ 161,239	\$ 1,438	\$ 15,805	\$ -	\$ 26,219	\$ -	\$ 53,522	\$ 14,249	\$ 2,347	\$ -	\$ 1,537,569
Accrued liabilities	432,413	-	-	-	-	6,015	-	-	-	-	-	438,428
Accrued vacation, sick, and paid time off	270,134	-	-	-	-	-	-	-	-	-	-	270,134
Accrued interest payable	16,822	6,337	-	-	-	-	-	-	-	-	-	23,159
Deposits payable	180,954	44,485	-	16,557	-	-	-	28,349	1,053	1,084	-	272,482
Unearned revenue (Note 7)	5,000	-	-	-	-	-	-	-	-	-	-	5,000
Notes payable (Note 8)	8,357,704	3,464,147	-	537,164	-	856,067	-	1,630,485	830,548	438,100	(5,414,142)	10,700,073
Total liabilities	<u>10,525,777</u>	<u>3,676,208</u>	<u>1,438</u>	<u>569,526</u>	<u>-</u>	<u>888,301</u>	<u>-</u>	<u>1,712,356</u>	<u>845,850</u>	<u>441,531</u>	<u>(5,414,142)</u>	<u>13,246,845</u>
NET ASSETS												
Without donor restrictions												
Undesignated	23,453,213	455,037	4,207,567	(383,004)	1,883,922	975,496	18,901	196,060	335,727	(333,207)	(7,349,528)	23,460,184
Federal constrained inventory and capital assets	7,666,835	-	-	478,957	-	-	-	-	49,094	257,462	-	8,452,348
Total net assets without donor restrictions	31,120,048	455,037	4,207,567	95,953	1,883,922	975,496	18,901	196,060	384,821	(75,745)	(7,349,528)	31,912,532
With donor restrictions												
Purpose or time restrictions	3,369,469	-	-	-	-	-	-	-	-	-	-	3,369,469
Perpetual in nature (endowment)	209,128	-	-	-	-	-	-	-	-	-	-	209,128
Total net assets with donor restrictions	3,578,597	-	-	-	-	-	-	-	-	-	-	3,578,597
Total net assets	<u>34,698,645</u>	<u>455,037</u>	<u>4,207,567</u>	<u>95,953</u>	<u>1,883,922</u>	<u>975,496</u>	<u>18,901</u>	<u>196,060</u>	<u>384,821</u>	<u>(75,745)</u>	<u>(7,349,528)</u>	<u>35,491,129</u>
Total liabilities and net assets	<u>\$ 45,224,422</u>	<u>\$ 4,131,245</u>	<u>\$ 4,209,005</u>	<u>\$ 665,479</u>	<u>\$ 1,883,922</u>	<u>\$ 1,863,797</u>	<u>\$ 18,901</u>	<u>\$1,908,416</u>	<u>\$ 1,230,671</u>	<u>\$ 365,786</u>	<u>\$ (12,763,670)</u>	<u>\$ 48,737,974</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
June 30, 2020

	HRDC	HRDC Properties	Disregarded Entities (LLCs)	Home Corporation	Miles Building, Inc.	Miles, LP	Darlington Apts., Inc.	Sherwood Inn Apts., Inc.	Summit Apts., Inc.	Eliminations	Consolidated Total
ASSETS											
Cash and cash equivalents	\$ 2,028,506	\$ 126,042	\$ (66,547)	\$ 60,223	\$ 221,419	\$ 73,844	\$ 20,421	\$ 79,102	\$ 14,112	\$ -	\$ 2,557,122
Escrow and building reserve	1,022,249	21,900	-	116,810	-	265,386	58,533	315,314	97,435	-	1,897,627
Cash restricted for capital campaign	296,811	-	-	-	-	-	-	-	-	-	296,811
Receivables (Note 3)											
Grantors	2,045,186	-	-	-	-	-	-	-	-	-	2,045,186
Interest	-	-	19,791	-	-	-	-	-	-	-	19,791
Accounts receivable, net	1,121,467	12,551	109,657	88	515,774	(2,537)	-	1,015	3,459	(610,329)	1,151,145
Pledges receivable, net	2,897,321	-	-	-	-	-	-	-	-	-	2,897,321
Prepaid expenses	188,428	2,932	-	1,006	-	5,059	-	2,768	283	-	200,476
Investments (Note 4)	1,204,145	-	-	-	-	-	-	-	-	-	1,204,145
Inventory - supplies and food bank	321,827	-	-	-	-	-	-	-	-	-	321,827
Inventory - condominiums, federal constraints	1,264,406	-	-	-	-	-	-	-	-	-	1,264,406
Other assets - manufactured homes	494,323	-	-	-	-	-	-	-	-	-	494,323
Deferred loans receivable, net (Note 3)	3,475,294	-	832,000	-	815,649	-	-	-	-	(2,131,152)	2,991,791
Investment in partnership	2,099,849	-	1	-	312,083	-	-	-	-	(2,411,933)	-
Construction in progress	7,524,701	-	-	-	-	-	-	-	-	-	7,524,701
Construction in progress, federal constraints (Note 6)	1,308,709	-	-	-	-	-	-	-	-	-	1,308,709
Property and equipment, net, federal constraints (Note 6)	5,665,982	-	-	530,907	-	1,885,208	-	662,928	272,360	-	9,017,385
Property and equipment, net (Note 6)	8,038,519	6,274,234	-	-	-	(72,693)	-	-	2,252	-	14,242,312
Total assets	<u>\$ 40,997,723</u>	<u>\$ 6,437,659</u>	<u>\$ 894,902</u>	<u>\$ 709,034</u>	<u>\$ 1,864,925</u>	<u>\$ 2,154,267</u>	<u>\$ 78,954</u>	<u>\$ 1,061,127</u>	<u>\$ 389,901</u>	<u>\$ (5,153,414)</u>	<u>\$ 49,435,078</u>
LIABILITIES											
Accounts payable	\$ 1,666,390	\$ 67,391	\$ -	\$ 14,492	\$ -	\$ 13,656	\$ 58,533	\$ 14,310	\$ 2,059	\$ (94,452)	\$ 1,742,379
Accrued liabilities	371,338	-	-	881	-	2,600	-	-	-	-	374,819
Accrued vacation, sick, and paid time off	271,123	-	-	-	-	-	-	-	-	-	271,123
Accrued interest payable	10,163	1,169	-	2,000	-	516,494	-	2,656	-	(515,877)	16,605
Deposits payable	225,702	33,136	-	17,558	-	10,320	-	13,148	826	-	300,690
Unearned revenue (Note 7)	47,717	-	-	-	-	-	-	-	-	-	47,717
Notes payable (Note 8)	10,847,597	6,290,599	-	561,394	151,713	1,383,361	-	442,801	438,100	(2,131,152)	17,984,413
Total liabilities	<u>13,440,030</u>	<u>6,392,295</u>	<u>-</u>	<u>596,325</u>	<u>151,713</u>	<u>1,926,431</u>	<u>58,533</u>	<u>472,915</u>	<u>440,985</u>	<u>(2,741,481)</u>	<u>20,737,746</u>
NET ASSETS											
Without donor restrictions											
Undesignated	14,396,264	45,364	894,902	(418,198)	1,713,212	(1,657,372)	20,421	(74,716)	(323,444)	(2,411,933)	12,184,500
Federal constrained inventory and capital assets	8,239,097	-	-	530,907	-	1,885,208	-	662,928	272,360	-	11,590,500
Total net assets without donor restrictions	<u>22,635,361</u>	<u>45,364</u>	<u>894,902</u>	<u>112,709</u>	<u>1,713,212</u>	<u>227,836</u>	<u>20,421</u>	<u>588,212</u>	<u>(51,084)</u>	<u>(2,411,933)</u>	<u>23,775,000</u>
With donor restrictions											
Purpose or time restrictions	4,752,978	-	-	-	-	-	-	-	-	-	4,752,978
Perpetual in nature (endowment)	169,354	-	-	-	-	-	-	-	-	-	169,354
Total net assets with donor restrictions	<u>4,922,332</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,922,332</u>
Total net assets	<u>27,557,693</u>	<u>45,364</u>	<u>894,902</u>	<u>112,709</u>	<u>1,713,212</u>	<u>227,836</u>	<u>20,421</u>	<u>588,212</u>	<u>(51,084)</u>	<u>(2,411,933)</u>	<u>28,697,332</u>
Total liabilities and net assets	<u>\$ 40,997,723</u>	<u>\$ 6,437,659</u>	<u>\$ 894,902</u>	<u>\$ 709,034</u>	<u>\$ 1,864,925</u>	<u>\$ 2,154,267</u>	<u>\$ 78,954</u>	<u>\$ 1,061,127</u>	<u>\$ 389,901</u>	<u>\$ (5,153,414)</u>	<u>\$ 49,435,078</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
CONSOLIDATING SCHEDULE OF ACTIVITIES
For the Year Ended June 30, 2021

	HRDC	HRDC Properties	Disregarded Entities (LLCs)	Home Corporation	Miles Building, Inc.	Miles, LP	Darlington Apts., Inc.	Darlington Manor HP- HRDC, LP	Sherwood Inn Apts., Inc.	Summit Apts., Inc.	Eliminations	Consolidated Total
NET ASSETS WITHOUT DONOR RESTRICTIONS												
REVENUES												
Contract revenue	\$ 1,598,130	\$ -	\$ 17,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (128,432)	\$ 1,487,198
Developer's fee	-	-	218,500	-	-	-	-	-	-	-	-	218,500
Rental income	376,381	572,381	-	205,079	695	267,985	-	386,416	284,425	61,646	(6,875)	2,148,133
City/County/Local Government support	1,667,434	-	500,000	-	-	-	-	-	-	-	-	2,167,434
Sale of manufactured homes and condominiums	12,529,847	-	-	-	-	-	-	-	-	-	-	12,529,847
Contributions (including Fundraising):												
Grants:												
Federal	9,016,985	-	-	-	-	-	-	-	-	-	-	9,016,985
State	909,834	-	-	-	-	-	-	-	-	-	-	909,834
Private	584,830	-	-	-	-	-	-	-	-	-	-	584,830
Food (non-cash contributions)	3,272,896	-	-	-	-	-	-	-	-	-	-	3,272,896
Pledged contributions	399,807	-	-	-	-	-	-	-	-	-	-	399,807
Contributions & fundraising	5,369,259	-	-	-	-	-	-	-	-	-	-	5,369,259
Net investment income	147,339	13	12,481	33	20,677	4	-	33	41	32	(34,646)	146,007
Income from subsidiaries	4,937,597	-	-	-	-	-	-	-	-	-	(4,937,597)	-
Gain on sale of property	599,884	-	-	-	-	-	-	-	-	-	-	599,884
Gain (loss) on sale of housing properties	-	(744,911)	-	-	-	2,433,365	-	7,242,218	3,086,015	-	-	12,016,687
Other	293,558	3,233	-	-	-	-	-	-	20,703	-	-	317,494
Net assets released from program restrictions	1,634,545	-	-	-	-	-	-	-	-	-	-	1,634,545
Total revenues	<u>43,338,326</u>	<u>(169,284)</u>	<u>748,481</u>	<u>205,112</u>	<u>21,372</u>	<u>2,701,354</u>	<u>-</u>	<u>7,628,667</u>	<u>3,391,184</u>	<u>61,678</u>	<u>(5,107,550)</u>	<u>52,819,340</u>
EXPENSES												
Program services:												
Energy	1,080,433	-	-	-	-	-	-	-	-	-	-	1,080,433
Food and nutrition	5,116,125	-	-	-	-	-	-	-	-	-	-	5,116,125
Senior citizens	465,326	-	-	-	-	-	-	-	-	35,182	-	500,508
Community development	19,120,366	-	-	-	-	-	-	-	-	-	-	19,120,366
Economic and youth development	430,702	-	-	-	-	-	-	-	-	-	-	430,702
Housing	2,421,667	(626,655)	23,240	199,047	2,375	1,350,894	1,520	5,451,167	2,702,341	51,157	(169,955)	11,406,798
Early childhood education	2,072,768	-	-	-	-	-	-	-	-	-	-	2,072,768
Transportation	2,581,195	-	-	-	-	-	-	-	-	-	-	2,581,195
Total program services	<u>33,288,582</u>	<u>(626,655)</u>	<u>23,240</u>	<u>199,047</u>	<u>2,375</u>	<u>1,350,894</u>	<u>1,520</u>	<u>5,451,167</u>	<u>2,702,341</u>	<u>86,339</u>	<u>(169,955)</u>	<u>42,308,895</u>
Supporting services:												
Administration	1,361,001	-	-	-	-	-	-	-	-	-	-	1,361,001
Fundraising	664,756	-	-	-	-	-	-	-	-	-	-	664,756
Total supporting services	<u>2,025,757</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,025,757</u>
Total expenses	<u>35,314,339</u>	<u>(626,655)</u>	<u>23,240</u>	<u>199,047</u>	<u>2,375</u>	<u>1,350,894</u>	<u>1,520</u>	<u>5,451,167</u>	<u>2,702,341</u>	<u>86,339</u>	<u>(169,955)</u>	<u>44,334,652</u>
Change in net assets without donor restrictions	8,023,987	457,371	725,241	6,065	18,997	1,350,460	(1,520)	2,177,500	688,843	(24,661)	(4,937,595)	8,484,688
NET ASSETS WITH DONOR RESTRICTIONS												
Purpose or time restricted contributions and income	251,037	-	-	-	-	-	-	-	-	-	-	251,037
Perpetually restricted contributions	39,774	-	-	-	-	-	-	-	-	-	-	39,774
Net assets released from program restrictions	<u>(1,634,545)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,634,545)</u>
Change in net assets with donor restrictions	<u>(1,343,734)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,343,734)</u>
Transfers in	2,971,546	-	2,817,099	-	151,713	-	-	-	-	-	(5,940,358)	-
Transfers out	<u>(2,510,847)</u>	<u>(51,496)</u>	<u>(229,675)</u>	<u>(22,821)</u>	<u>-</u>	<u>(602,800)</u>	<u>-</u>	<u>(1,630,485)</u>	<u>(892,234)</u>	<u>-</u>	<u>5,940,358</u>	<u>-</u>
Net transfers in (out)	<u>460,699</u>	<u>(51,496)</u>	<u>2,587,424</u>	<u>(22,821)</u>	<u>151,713</u>	<u>(602,800)</u>	<u>-</u>	<u>(1,630,485)</u>	<u>(892,234)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in total net assets	7,140,952	405,875	3,312,665	(16,756)	170,710	747,660	(1,520)	547,015	(203,391)	(24,661)	(4,937,595)	7,140,954
Net assets, beginning of year	27,557,693	45,364	894,902	112,709	1,713,212	227,836	20,421	-	588,212	(51,084)	(2,411,933)	28,697,332
Capital contribution	-	3,798	-	-	-	-	-	-	-	-	-	3,798
Investment in partnership interest	-	-	-	-	-	-	-	(350,955)	-	-	-	(350,955)
Net assets, end of year	<u>\$ 34,698,645</u>	<u>\$ 455,037</u>	<u>\$ 4,207,567</u>	<u>\$ 95,953</u>	<u>\$ 1,883,922</u>	<u>\$ 975,496</u>	<u>\$ 18,901</u>	<u>\$ 196,060</u>	<u>\$ 384,821</u>	<u>\$ (75,745)</u>	<u>\$ (7,349,528)</u>	<u>\$ 35,491,129</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
CONSOLIDATING SCHEDULE OF ACTIVITIES
For the Year Ended June 30, 2020

	HRDC	HRDC Properties	Disregarded Entities (LLCs)	Home Corporation	Miles Building, Inc.	Miles, LP	Darlington Apts., Inc.	Sherwood Inn Apts., Inc.	Summit Apts., Inc.	Eliminations	Consolidated Total
NET ASSETS WITHOUT DONOR RESTRICTIONS											
REVENUES											
Contract revenue	\$ 1,124,007	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (124,978)	\$ 999,029
Rental income	55,744	593,556	-	204,597	11,955	366,465	-	397,793	62,260	-	1,692,370
City/County/Local Government support	2,031,227	-	-	-	-	-	-	-	-	-	2,031,227
Sale of manufactured homes and condominiums	7,210,423	-	-	-	-	-	-	-	-	-	7,210,423
Contributions (including Fundraising):											
Grants:											
Federal	6,280,805	-	-	-	-	-	-	-	-	-	6,280,805
State	893,961	-	-	-	-	-	-	-	-	-	893,961
Private	1,278,455	-	-	-	-	-	-	-	-	-	1,278,455
Food (non-cash contributions)	2,920,791	-	-	-	-	-	-	-	-	-	2,920,791
Pledged contributions	2,611,601	-	-	-	-	-	-	-	-	-	2,611,601
Contributions & fundraising	2,994,590	-	-	-	-	-	-	-	-	-	2,994,590
Net investment income	51,201	10	4,160	28	31,058	748	-	1,233	151	(49,621)	38,968
(Loss) from subsidiaries	96,337	-	-	-	-	-	-	-	-	(96,337)	-
Gain on sale of property	56,249	-	-	-	-	-	-	-	-	-	56,249
Other	248,763	35,326	16,431	-	-	34,573	7,383	-	-	-	342,476
Net assets released from program restrictions	573,668	-	-	-	-	-	-	-	-	-	573,668
Total revenues	<u>28,427,822</u>	<u>628,892</u>	<u>20,591</u>	<u>204,625</u>	<u>43,013</u>	<u>401,786</u>	<u>7,383</u>	<u>399,026</u>	<u>62,411</u>	<u>(270,936)</u>	<u>29,924,613</u>
EXPENSES											
Program services:											
Energy	1,077,026	-	-	-	-	-	-	-	-	-	1,077,026
Food and nutrition	4,738,571	-	-	-	-	-	-	-	-	-	4,738,571
Senior citizens	496,126	-	-	-	-	-	-	-	-	-	496,126
Community development	8,554,447	-	368	-	-	-	-	-	-	-	8,554,815
Economic and youth development	546,348	-	-	-	-	-	-	-	-	-	546,348
Housing	1,969,266	666,716	578	188,809	20	423,535	2,907	311,979	56,833	(177,767)	3,442,876
Early childhood education	1,980,674	-	-	-	-	-	-	-	-	-	1,980,674
Transportation	2,542,983	-	-	-	-	-	-	-	-	-	2,542,983
Total program services	<u>21,905,441</u>	<u>666,716</u>	<u>946</u>	<u>188,809</u>	<u>20</u>	<u>423,535</u>	<u>2,907</u>	<u>311,979</u>	<u>56,833</u>	<u>(177,767)</u>	<u>23,379,419</u>
Supporting services:											
Administration	1,063,464	-	-	-	-	-	-	-	-	-	1,063,464
Fundraising	646,749	-	-	-	-	-	-	-	-	-	646,749
Total supporting services	<u>1,710,213</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,710,213</u>
Total expenses	<u>23,615,654</u>	<u>666,716</u>	<u>946</u>	<u>188,809</u>	<u>20</u>	<u>423,535</u>	<u>2,907</u>	<u>311,979</u>	<u>56,833</u>	<u>(177,767)</u>	<u>25,089,632</u>
Change in net assets without donor restrictions	4,812,168	(37,824)	19,645	15,816	42,993	(21,749)	4,476	87,047	5,578	(93,169)	4,834,981
NET ASSETS WITH DONOR RESTRICTIONS											
Purpose or time restricted contributions	944,329	-	-	-	-	-	-	-	-	-	944,329
Perpetually restricted contributions	9,209	-	-	-	-	-	-	-	-	-	9,209
Net assets released from program restrictions	(573,668)	-	-	-	-	-	-	-	-	-	(573,668)
Change in net assets with donor restrictions	<u>379,870</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>379,870</u>
Change in total net assets	5,192,038	(37,824)	19,645	15,816	42,993	(21,749)	4,476	87,047	5,578	(93,169)	5,214,851
Net assets, beginning of year	22,365,655	105,188	1,150,309	96,893	1,670,219	249,585	15,945	501,165	(56,662)	(2,615,816)	23,482,481
Distribution to owner	-	(22,000)	(275,052)	-	-	-	-	-	-	297,052	-
Net assets, end of year	<u>\$ 27,557,693</u>	<u>\$ 45,364</u>	<u>\$ 894,902</u>	<u>\$ 112,709</u>	<u>\$ 1,713,212</u>	<u>\$ 227,836</u>	<u>\$ 20,421</u>	<u>\$ 588,212</u>	<u>\$ (51,084)</u>	<u>\$ (2,411,933)</u>	<u>\$ 28,697,332</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SCHEDULE OF FINANCIAL POSITION FOR HRDC PROPERTIES
June 30, 2021

	HRDC Colo. Apts.	HRDC West Edge	Cottages at Menicucci Square	Boulevard Apartments	Livingston Cottages	HRDC Properties Total
ASSETS						
Cash and cash equivalents	\$ 39,791	\$ 40,339	\$ 27,647	\$ 43,702	39,225	\$ 190,704
Escrow and building reserve	27,400	-	-	-	5,904	33,304
Receivables (Note 3)						
Accounts receivable, net	161	280	51,466	25,305	5,243	82,455
Prepaid expenses	-	-	-	9,257	-	9,257
Deferred notes receivable	-	-	-	905,805	-	905,805
Property and equipment, net (Note 6)	20,086	-	1,702,198	-	1,187,436	2,909,720
Total assets	<u>\$ 87,438</u>	<u>\$ 40,619</u>	<u>\$ 1,781,311</u>	<u>\$ 984,069</u>	<u>\$ 1,237,808</u>	<u>\$ 4,131,245</u>
LIABILITIES						
Accounts payable	\$ 3,853	\$ 853	\$ 79,114	\$ 7,315	\$ 70,104	\$ 161,239
Accrued interest payable	-	-	3,033	-	3,304	6,337
Deposits payable	4,947	2,610	20,763	4,510	11,655	44,485
Notes payable (Note 8)	-	-	1,764,507	439,513	1,260,127	3,464,147
Total liabilities	<u>8,800</u>	<u>3,463</u>	<u>1,867,417</u>	<u>451,338</u>	<u>1,345,190</u>	<u>3,676,208</u>
NET ASSETS						
Without donor restrictions						
Undesignated	<u>78,638</u>	<u>37,156</u>	<u>(86,106)</u>	<u>532,731</u>	<u>(107,382)</u>	<u>455,037</u>
Total net assets without donor restrictions	<u>78,638</u>	<u>37,156</u>	<u>(86,106)</u>	<u>532,731</u>	<u>(107,382)</u>	<u>455,037</u>
With donor restrictions						
Purpose or time restrictions	-	-	-	-	-	-
Perpetual in nature (endowment)	-	-	-	-	-	-
Total net assets with donor restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net assets	<u>78,638</u>	<u>37,156</u>	<u>(86,106)</u>	<u>532,731</u>	<u>(107,382)</u>	<u>455,037</u>
Total liabilities and net assets	<u>\$ 87,438</u>	<u>\$ 40,619</u>	<u>\$ 1,781,311</u>	<u>\$ 984,069</u>	<u>\$ 1,237,808</u>	<u>\$ 4,131,245</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SCHEDULE OF FINANCIAL POSITION FOR HRDC PROPERTIES
June 30, 2020

	HRDC Colo. Apts.	HRDC West Edge	Cottages at Menicucci Square	Boulevard Apartments	HRDC Properties Total
ASSETS					
Cash and cash equivalents	\$ 43,081	\$ 15,886	\$ 20,940	\$ 46,135	\$ 126,042
Escrow and building reserve	21,900	-	-	-	21,900
Receivables (Note 3)					
Accounts receivable, net	-	-	10,701	1,850	12,551
Prepaid expenses	347	121	808	1,656	2,932
Property and equipment, net (Note 6)	21,006	-	1,801,117	4,452,111	6,274,234
Total assets	<u>\$ 86,334</u>	<u>\$ 16,007</u>	<u>\$ 1,833,566</u>	<u>\$ 4,501,752</u>	<u>\$ 6,437,659</u>
LIABILITIES					
Accounts payable	\$ 1,661	\$ 215	\$ 56,359	9,156	\$ 67,391
Accrued interest payable	-	-	1,169	-	1,169
Deposits payable	4,071	2,610	19,621	6,834	33,136
Notes payable (Note 8)	-	-	1,784,384	4,506,215	6,290,599
Total liabilities	<u>5,732</u>	<u>2,825</u>	<u>1,861,533</u>	<u>4,522,205</u>	<u>6,392,295</u>
NET ASSETS					
Without donor restrictions					
Undesignated	<u>80,602</u>	<u>13,182</u>	<u>(27,967)</u>	<u>(20,453)</u>	<u>45,364</u>
Total net assets without donor restrictions	<u>80,602</u>	<u>13,182</u>	<u>(27,967)</u>	<u>(20,453)</u>	<u>45,364</u>
Total net assets	<u>80,602</u>	<u>13,182</u>	<u>(27,967)</u>	<u>(20,453)</u>	<u>45,364</u>
Total liabilities and net assets	<u>\$ 86,334</u>	<u>\$ 16,007</u>	<u>\$ 1,833,566</u>	<u>\$ 4,501,752</u>	<u>\$ 6,437,659</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SCHEDULE OF ACTIVITIES FOR HRDC PROPERTIES
For the Year Ended June 30, 2021

	HRDC Colo. Apts.	HRDC West Edge	Cottages at Menicucci Square	Boulevard Apartments	Livingston Cottages	HRDC Properties Total
NET ASSETS WITHOUT DONOR RESTRICTIONS						
REVENUES						
Rental income	\$ 55,680	\$ 33,779	\$ 191,416	\$ 258,895	\$ 32,611	\$ 572,381
Net investment income	8	-	5	-	-	13
Gain (loss) on sale of property	-	-	-	(744,911)	-	(744,911)
Other	-	-	2,877	6	350	3,233
Net assets released from program restrictions	-	-	-	-	-	-
Total revenues	<u>55,688</u>	<u>33,779</u>	<u>194,298</u>	<u>(486,010)</u>	<u>32,961</u>	<u>(169,284)</u>
EXPENSES						
Program services:						
Housing	<u>57,652</u>	<u>9,805</u>	<u>221,000</u>	<u>(1,039,194)</u>	<u>124,082</u>	<u>(626,655)</u>
Total program services	<u>57,652</u>	<u>9,805</u>	<u>221,000</u>	<u>(1,039,194)</u>	<u>124,082</u>	<u>(626,655)</u>
Supporting services:						
Administration	-	-	-	-	-	-
Fundraising	-	-	-	-	-	-
Total supporting services	-	-	-	-	-	-
Total expenses	<u>57,652</u>	<u>9,805</u>	<u>221,000</u>	<u>(1,039,194)</u>	<u>124,082</u>	<u>(626,655)</u>
Change in net assets without donor restrictions	(1,964)	23,974	(26,702)	553,184	(91,121)	457,371
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(31,437)	-	(20,059)	(51,496)
Net transfers in (out)	-	-	(31,437)	-	(20,059)	(51,496)
Change in total net assets	(1,964)	23,974	(58,139)	553,184	(111,180)	405,875
Net assets, beginning of year	80,602	13,182	(27,967)	(20,453)	-	45,364
Capital contribution	-	-	-	-	3,798	3,798
Net assets, end of year	<u>\$ 78,638</u>	<u>\$ 37,156</u>	<u>\$ (86,106)</u>	<u>\$ 532,731</u>	<u>\$ (107,382)</u>	<u>\$ 455,037</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SCHEDULE OF ACTIVITIES FOR HRDC PROPERTIES
For the Year Ended June 30, 2020

	HRDC Colo. Apts.	HRDC West Edge	Cottages at Menicucci Square	Boulevard Apartments	HRDC Properties Total
NET ASSETS WITHOUT DONOR RESTRICTIONS					
REVENUES					
Rental income	\$ 53,797	\$ 33,780	\$ 189,075	\$ 316,904	\$ 593,556
Net investment income	6	-	4	-	10
Other	-	-	-	35,326	35,326
Net assets released from program restrictions	-	-	-	-	-
Total revenues	<u>53,803</u>	<u>33,780</u>	<u>189,079</u>	<u>352,230</u>	<u>628,892</u>
EXPENSES					
Program services:					
Housing	<u>34,947</u>	<u>8,524</u>	<u>250,562</u>	<u>372,683</u>	<u>666,716</u>
Total program services	<u>34,947</u>	<u>8,524</u>	<u>250,562</u>	<u>372,683</u>	<u>666,716</u>
Supporting services:					
Administration	-	-	-	-	-
Fundraising	-	-	-	-	-
Total supporting services	-	-	-	-	-
Total expenses	<u>34,947</u>	<u>8,524</u>	<u>250,562</u>	<u>372,683</u>	<u>666,716</u>
Change in net assets without donor restrictions	18,856	25,256	(61,483)	(20,453)	(37,824)
NET ASSETS WITH DONOR RESTRICTIONS					
Purpose or time restricted contributions	-	-	-	-	-
Perpetually restricted contributions	-	-	-	-	-
Net assets released from program restrictions	-	-	-	-	-
Change in net assets with donor restrictions	-	-	-	-	-
Change in total net assets	18,856	25,256	(61,483)	(20,453)	(37,824)
Net assets, beginning of year	61,746	9,926	33,516	-	105,188
Distribution to owner	-	(22,000)	-	-	(22,000)
Net assets, end of year	<u>\$ 80,602</u>	<u>\$ 13,182</u>	<u>\$ (27,967)</u>	<u>\$ (20,453)</u>	<u>\$ 45,364</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SCHEDULE OF FINANCIAL POSITION
HRDC DISREGARDED ENTITIES (LLCs)
June 30, 2021

	BSV Rural Partners LLC	Bluebunch Flats LLC	AP LLC	Miles 2017 LLC	Darlington 2020 LLC	Timber Ridge LLC	4 Property LLC	Total
ASSETS								
Cash and cash equivalents	\$ 32,047	\$ -	\$ (9,716)	\$ (70)	\$ (20)	\$ (153)	\$ (282,777)	\$ (260,689)
Receivables								
Interest	32,271	-	-	-	-	-	-	32,271
Accounts receivable, net	-	-	7,500	-	-	-	3,097,922	3,105,422
Deferred loans receivable, net	832,000	-	500,000	-	-	-	-	1,332,000
Investment in partnership	-	-	-	1	-	-	-	1
Total assets	<u>\$ 896,318</u>	<u>\$ -</u>	<u>\$ 497,784</u>	<u>\$ (69)</u>	<u>\$ (20)</u>	<u>\$ (153)</u>	<u>\$ 2,815,145</u>	<u>\$ 4,209,005</u>
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,438	\$ -	\$ 1,438
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,438</u>	<u>-</u>	<u>1,438</u>
NET ASSETS								
Without donor restrictions								
Undesignated	<u>896,318</u>	<u>-</u>	<u>497,784</u>	<u>(69)</u>	<u>(20)</u>	<u>(1,591)</u>	<u>2,815,145</u>	<u>4,207,567</u>
Total net assets without donor restrictions	<u>896,318</u>	<u>-</u>	<u>497,784</u>	<u>(69)</u>	<u>(20)</u>	<u>(1,591)</u>	<u>2,815,145</u>	<u>4,207,567</u>
Total net assets	<u>896,318</u>	<u>-</u>	<u>497,784</u>	<u>(69)</u>	<u>(20)</u>	<u>(1,591)</u>	<u>2,815,145</u>	<u>4,207,567</u>
Total liabilities and net assets	<u>\$ 896,318</u>	<u>\$ -</u>	<u>\$ 497,784</u>	<u>\$ (69)</u>	<u>\$ (20)</u>	<u>\$ (153)</u>	<u>\$ 2,815,145</u>	<u>\$ 4,209,005</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SCHEDULE OF FINANCIAL POSITION
HRDC DISREGARDED ENTITIES (LLCs)
June 30, 2020

	BSV Rural Partners LLC	Bluebunch Flats LLC	AP LLC	Miles 2017 LLC	Total
ASSETS					
Cash and cash equivalents	\$ 32,493	\$ 11,175	\$ (110,180)	\$ (35)	\$ (66,547)
Receivables					
Interest	19,791	-	-	-	19,791
Accounts receivable, net	-	-	109,657	-	109,657
Deferred loans receivable, net	832,000	-	-	-	832,000
Investment in partnership	-	-	-	1	1
Total assets	<u>\$ 884,284</u>	<u>\$ 11,175</u>	<u>\$ (523)</u>	<u>\$ (34)</u>	<u>\$ 894,902</u>
LIABILITIES					
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS					
Without donor restrictions					
Undesignated	<u>884,284</u>	<u>11,175</u>	<u>(523)</u>	<u>(34)</u>	<u>894,902</u>
Total net assets without donor restrictions	<u>884,284</u>	<u>11,175</u>	<u>(523)</u>	<u>(34)</u>	<u>894,902</u>
Total net assets	<u>884,284</u>	<u>11,175</u>	<u>(523)</u>	<u>(34)</u>	<u>894,902</u>
Total liabilities and net assets	<u>\$ 884,284</u>	<u>\$ 11,175</u>	<u>\$ (523)</u>	<u>\$ (34)</u>	<u>\$ 894,902</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SCHEDULE OF FINANCIAL POSITION
HRDC DISREGARDED ENTITIES (LLCs)
June 30, 2020

	BSV Rural Partners LLC	Bluebunch Flats LLC	AP LLC	Miles 2017 LLC	Darlington 2020 LLC	Timber Ridge LLC	4 Property LLC	Total
NET ASSETS WITHOUT DONOR RESTRICTIONS								
REVENUES								
Contract revenue	\$ -	\$ -	\$ 17,500	\$ -	\$ -	\$ -	\$ -	\$ 17,500
Developer's fee	-	4,352	214,148	-	-	-	-	218,500
City/County/Local Government support	-	-	500,000	-	-	-	-	500,000
Net investment income	12,481	-	-	-	-	-	-	12,481
Net assets released from program restrictions	-	-	-	-	-	-	-	-
Total revenues	<u>12,481</u>	<u>4,352</u>	<u>731,648</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>748,481</u>
EXPENSES								
Program services:								
Housing	<u>447</u>	<u>-</u>	<u>19,193</u>	<u>35</u>	<u>20</u>	<u>1,591</u>	<u>1,954</u>	<u>23,240</u>
Total program services	<u>447</u>	<u>-</u>	<u>19,193</u>	<u>35</u>	<u>20</u>	<u>1,591</u>	<u>1,954</u>	<u>23,240</u>
Supporting services:								
Administration	-	-	-	-	-	-	-	-
Fundraising	-	-	-	-	-	-	-	-
Total supporting services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>447</u>	<u>-</u>	<u>19,193</u>	<u>35</u>	<u>20</u>	<u>1,591</u>	<u>1,954</u>	<u>23,240</u>
Change in net assets without donor restrictions	<u>12,034</u>	<u>4,352</u>	<u>712,455</u>	<u>(35)</u>	<u>(20)</u>	<u>(1,591)</u>	<u>(1,954)</u>	<u>725,241</u>
Transfers in	-	-	-	-	-	-	2,817,099	2,817,099
Transfers out	-	(15,527)	(214,148)	-	-	-	-	(229,675)
Net transfers in (out)	<u>-</u>	<u>(15,527)</u>	<u>(214,148)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,817,099</u>	<u>2,587,424</u>
Change in total net assets	12,034	(11,175)	498,307	(35)	(20)	(1,591)	2,815,145	3,312,665
Net assets, beginning of year	<u>884,284</u>	<u>11,175</u>	<u>(523)</u>	<u>(34)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>894,902</u>
Net assets, end of year	<u>\$ 896,318</u>	<u>\$ -</u>	<u>\$ 497,784</u>	<u>\$ (69)</u>	<u>\$ (20)</u>	<u>\$ (1,591)</u>	<u>\$ 2,815,145</u>	<u>\$ 4,207,567</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
THE HOME CORPORATION
SCHEDULES OF FINANCIAL POSITION
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (net of reserved cash)	\$ 166,440	\$ 44,122
Accounts receivable (net of allowance of \$-0- and \$12,000, respectively)	3,070	88
Prepaid assets	<u>2,013</u>	<u>1,006</u>
Total current assets	<u>171,523</u>	<u>45,216</u>
PROPERTY AND EQUIPMENT		
Land	193,094	193,094
Buildings and improvements	1,558,503	1,558,503
Accumulated depreciation	<u>(1,272,640)</u>	<u>(1,220,690)</u>
Total property and equipment	<u>478,957</u>	<u>530,907</u>
OTHER ASSETS		
Cash reserved for tenant deposits	14,999	16,101
Cash reserved for replacements	-	38,731
Cash reserved for taxes and insurance	<u>-</u>	<u>78,079</u>
Total other assets	<u>14,999</u>	<u>132,911</u>
Total assets	<u>\$ 665,479</u>	<u>\$ 709,034</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Operating accounts payable	\$ 15,805	\$ 14,492
Accrued liabilities	-	2,881
Rent deposits	16,557	17,558
Current portion of long-term debt	<u>17,317</u>	<u>21,464</u>
Total current liabilities	<u>49,679</u>	<u>56,395</u>
LONG TERM LIABILITIES		
Long-term debt, net of current portion	<u>519,847</u>	<u>539,930</u>
Total liabilities	<u>569,526</u>	<u>596,325</u>
NET ASSETS		
Without donor restrictions		
Undesignated	<u>95,953</u>	<u>112,709</u>
Total liabilities and net assets without donor restrictions	<u>\$ 665,479</u>	<u>\$ 709,034</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
THE HOME CORPORATION
SCHEDULES OF ACTIVITIES
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
UNRESTRICTED REVENUES		
Rental income	\$ 205,717	\$ 202,707
Tenant fees	(638)	1,890
Interest income	<u>33</u>	<u>28</u>
Total revenues	<u>205,112</u>	<u>204,625</u>
EXPENSES		
Administration		
Advertising and leasing	129	247
Bank and misc fees	(125)	962
Bookkeeping fees	4,306	4,183
Legal and accounting	700	800
Management fee	18,313	18,396
Office supplies	1,161	1,065
Professional fees	1,750	1,750
Bad debts	-	1,376
Contract on-site manager	21,306	10,633
Depreciation	51,950	51,950
Insurance	4,746	3,353
Interest	22,125	22,594
Key replacement	11	70
Maintenance and supplies	38,767	33,912
Property taxes	1,438	1,720
Repairs	299	1,380
Snow plowing and lawn care	12,200	15,041
Utilities, phone, garbage	<u>19,971</u>	<u>19,377</u>
Total expenses	<u>199,047</u>	<u>188,809</u>
Change in net assets	6,065	15,816
Transfers out	(22,821)	-
Net assets without donor restrictions, beginning of year	<u>112,709</u>	<u>96,893</u>
Net assets without donor restrictions, end of year	<u><u>\$ 95,953</u></u>	<u><u>\$ 112,709</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
THE HOME CORPORATION
SCHEDULES OF CASH FLOWS
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from tenants	\$ 202,097	\$ 204,802
Cash received for interest	33	28
Cash paid for management and bookkeeping	(4)	(1,209)
Cash paid for property operations	(138,472)	(114,873)
Cash paid for transfers	(22,821)	-
Cash paid for interest	<u>(12,200)</u>	<u>(15,041)</u>
Net cash flows from operating activities	<u>28,633</u>	<u>73,707</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash paid on loan principal	<u>(24,227)</u>	<u>(21,629)</u>
Net cash flows from financing activities	<u>(24,227)</u>	<u>(21,629)</u>
Net change in cash and cash equivalents	4,406	52,078
Cash and cash equivalents, beginning of year	<u>177,033</u>	<u>124,955</u>
Cash and cash equivalents, end of year	<u><u>\$ 181,439</u></u>	<u><u>\$ 177,033</u></u>
Reconciliation to Statements of Financial Position		
Cash and cash equivalents	\$ 166,440	\$ 44,122
Cash reserves	<u>14,999</u>	<u>132,911</u>
	<u><u>\$ 181,439</u></u>	<u><u>\$ 177,033</u></u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 6,065	\$ 15,816
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	51,950	51,950
Transfers out	(22,821)	-
Change in operating assets and liabilities:		
Accounts receivable	(2,982)	205
Prepaid expenses	(1,007)	(42)
Accounts payable	(1,568)	5,179
Rent deposits	<u>(1,004)</u>	<u>599</u>
Net cash flows from operating activities	<u><u>\$ 28,633</u></u>	<u><u>\$ 73,707</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SHERWOOD INN APARTMENTS, INC.
 SCHEDULES OF FINANCIAL POSITION
 June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (net of reserved cash)	\$ 860,580	\$ 65,836
Accounts receivable (net of allowance of \$500)	5,489	1,015
Prepaid expenses	<u>10,266</u>	<u>2,768</u>
Total current assets	<u>876,335</u>	<u>69,619</u>
PROPERTY AND EQUIPMENT		
Land	25,850	59,562
Furniture and fixtures	-	77,701
Buildings and improvements	55,417	1,277,660
Accumulated depreciation	<u>(32,173)</u>	<u>(751,995)</u>
Total property and equipment	<u>49,094</u>	<u>662,928</u>
OTHER ASSETS		
Cash reserved for tenant deposits	1,058	13,266
Cash reserved for replacements	21,335	315,314
Notes receivable	<u>282,849</u>	<u>-</u>
Total other assets	<u>305,242</u>	<u>328,580</u>
Total assets	<u>\$ 1,230,671</u>	<u>\$ 1,061,127</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Operating accounts payable	14,249	\$ 14,310
Accrued interest	-	2,656
Rent deposits	1,053	13,148
Current portion of long-term debt	<u>830,548</u>	<u>40,507</u>
Total current liabilities	<u>845,850</u>	<u>70,621</u>
LONG TERM LIABILITIES		
Long-term debt, net of current portion	<u>-</u>	<u>402,294</u>
Total liabilities	<u>845,850</u>	<u>472,915</u>
NET ASSETS		
Without donor restrictions		
Undesignated	<u>384,821</u>	<u>588,212</u>
Total liabilities and net assets without donor restrictions	<u>\$ 1,230,671</u>	<u>\$ 1,061,127</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SHERWOOD INN APARTMENTS, INC.
 SCHEDULES OF ACTIVITIES
 For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
UNRESTRICTED REVENUES		
Rental income	\$ 268,277	\$ 394,649
Tenant fees	16,148	3,144
Interest income	41	1,233
Insurance proceeds	20,703	-
Gain on sale of assets	<u>3,086,015</u>	<u>-</u>
Total revenues	<u>3,391,184</u>	<u>399,026</u>
EXPENSES		
Administration		
Accounting fees	6,691	8,578
Advertising and leasing	793	636
Bank and misc fees	205	66
Legal and accounting	700	1,343
Management fee	21,276	32,055
Office supplies	5,618	8,418
Operating and maintenance		
Contract management	30,661	38,975
Depreciation	1,847	45,017
Insurance	4,275	7,349
Interest	7,017	12,550
Maintenance and supplies	72,007	57,912
Pest control	-	10
Repairs	5,299	24,237
Snow plowing and lawn care	5,245	4,709
Utilities, phone, garbage	49,062	70,124
Property sale transaction fees	<u>2,491,645</u>	<u>-</u>
Total expenses	<u>2,702,341</u>	<u>311,979</u>
Change in net assets	688,843	87,047
Transfers out	(892,234)	-
Net assets without donor restrictions, beginning of year	<u>588,212</u>	<u>501,165</u>
Net assets without donor restrictions, end of year	<u><u>\$ 384,821</u></u>	<u><u>\$ 588,212</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SHERWOOD INN APARTMENTS, INC.
SCHEDULES OF CASH FLOWS
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from tenants	\$ 279,910	\$ 398,789
Cash received for interest	41	1,233
Cash paid for management	(6,691)	(8,578)
Cash paid for property operations	(216,568)	(251,508)
Cash paid for interest	(7,901)	(3,862)
Cash transferred out	<u>(892,234)</u>	<u>-</u>
Net cash flows from operating activities	<u>(843,443)</u>	<u>136,074</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash received from sale of asset	<u>944,256</u>	<u>-</u>
Net cash flows from investing activities	<u>944,256</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds on loans	830,548	-
Cash paid on loan principal	<u>(442,804)</u>	<u>(40,362)</u>
Net cash flows from financing activities	<u>387,744</u>	<u>(40,362)</u>
Net change in cash and cash equivalents	488,557	95,712
Cash and cash equivalents, beginning of year	<u>394,416</u>	<u>298,704</u>
Cash and cash equivalents, end of year	<u>\$ 882,973</u>	<u>\$ 394,416</u>
Reconciliation to Statements of Financial Position		
Cash and cash equivalents	\$ 861,638	\$ 65,836
Cash reserves	<u>21,335</u>	<u>328,580</u>
	<u>\$ 882,973</u>	<u>\$ 394,416</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 688,843	\$ 87,047
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	1,847	45,017
Net gain on sale of asset	(594,370)	-
Insurance proceeds	(20,703)	-
Transfer out	(892,234)	-
Change in operating assets and liabilities:		
Accounts receivable	(4,515)	996
Prepaid expenses	(7,498)	1,281
Accounts payable	(61)	1,097
Accrued interest	(2,656)	847
Rent deposits	<u>(12,096)</u>	<u>(211)</u>
Net cash flows from operating activities	<u>\$ (843,443)</u>	<u>\$ 136,074</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
UNRESTRICTED CORPORATE FUNDS
SCHEDULES OF FINANCIAL POSITION
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash - operating savings	\$ (108,282)	\$ 153,887
Cash - operating checking	2,316,919	966,003
Less: cash currently committed to HRDC capital projects	<u>(203,058)</u>	<u>(799,570)</u>
Unrestricted corporate cash available	2,005,579	320,320
Investments in marketable securities	491,084	393,304
Accounts receivable	(33)	3,047
Interest receivable	-	1,198
Prepaid expense	6,264	9,696
Escrow account	-	-
Loans receivable	-	303,394
Intercompany loans receivable	1,525,607	1,935,573
Investment in subsidiaries	650,185	650,185
Buildings	551,870	535,365
Land	38,767	56,267
Accumulated depreciation	<u>(265,322)</u>	<u>(240,378)</u>
Total assets	<u>\$ 5,004,001</u>	<u>\$ 3,967,971</u>
LIABILITIES		
Accounts payable	\$ 26,806	\$ 15,499
Rental deposits	675	675
Loan payable	259,084	188,365
Intercompany loans payable	<u>161,656</u>	<u>164,307</u>
Total liabilities	<u>448,221</u>	<u>368,846</u>
NET ASSETS		
Net assets, beginning of fiscal year	3,599,125	3,150,902
Transfer in of beginning net assets	(14,114)	-
Change in net assets, current year	<u>970,769</u>	<u>448,223</u>
Total net assets	<u>4,555,780</u>	<u>3,599,125</u>
Total liabilities and net assets	<u>\$ 5,004,001</u>	<u>\$ 3,967,971</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
UNRESTRICTED CORPORATE FUNDS
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
REVENUE		
Donations - unrestricted (HRDC Greatest Needs)	\$ 782,687	\$ 629,650
Fundraising income - unrestricted (HRDC Greatest Needs)	163,581	105,510
Miscellaneous income	1,524	-
Rent income	45,300	45,300
Gain on asset sales	456,707	-
Partnership distribution income	-	8,466
Private grant revenue	74,000	-
Loan interest income	4,929	7,303
Investment interest income	1,519	2,708
Realized and unrealized gain on investments	101,471	8,427
Total revenues	<u>1,631,718</u>	<u>807,364</u>
EXPENSES		
Salaries and fringe	423,367	342,747
Admin.service cost allocations	75,346	51,737
Bad debt expense	1,362	-
Business meals/meetings	1,551	2,596
Closing costs - real property	7,927	-
Contract services	111,148	47,887
Depreciation expense	26,886	24,312
Dues	5,965	3,320
Equipment and supplies	7,274	12,297
Fundraising expense	16,185	11,722
Insurance	5,163	5,494
Interest expense	13,183	14,692
Investment management fees	3,690	3,365
Janitorial expense	2,972	4,972
Legal	216	450
Other	7,535	7,490
Outreach/advertising/public relations	20,237	17,421
Property management	2,400	2,400
Property taxes	1,304	508
Recognition	6,699	7,196
Repairs and maintenance	14,051	2,648
Software	19,647	16,117
Space	21,409	16,547
Travel/training	3,713	6,563
Utilities	6,969	5,298
Total expenses	<u>806,199</u>	<u>607,779</u>
REVENUE OVER EXPENSES	825,519	199,585
Transfers in	2,271,405	877,564
Transfers out	<u>(2,126,155)</u>	<u>(628,926)</u>
Net assets, beginning of fiscal year, as previously stated	3,599,125	3,150,902
Transfer in of beginning net assets	<u>(14,114)</u>	<u>-</u>
Net assets, beginning of fiscal year, as restated	<u>3,585,011</u>	<u>3,150,902</u>
Net assets, end of fiscal year	<u>\$ 4,555,780</u>	<u>\$ 3,599,125</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULES
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

WEATHERIZATION ASSISTANCE - LIEAP

Grant Period: July 1, 2019 to June 30, 2021 - DOE

Grant Number: DPHHS 19-028-30027-0-02

	----DEPT OF ENERGY----	
	Budget	Actual
REVENUE		
Grant	\$ 457,245	\$ 457,245
Total Revenue	<u>\$ 457,245</u>	<u>\$ 457,245</u>
EXPENSES		
Administration	\$ 47,576	\$ 47,388
Program Operations	330,881	327,749
Liability Insurance	222	222
Financial Audit	2,000	2,542
Training & Technical Assistance	33,930	33,982
Health & Safety	42,636	45,412
Total Expenses	<u>\$ 457,245</u>	<u>\$ 457,295</u>
Revenue over/under expenses	<u>\$ -</u>	\$ (50)
Transfer In		\$ 50
Net Assets at July 1, 2020		<u>\$ -</u>
Net Assets at June 30, 2021		<u><u>\$ -</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULES
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

LIEAP ADMINISTRATION PROGRAM

Grant Period: October 1, 2018 to August 31, 2020 - ADMIN
May 1, 2020 to December 31, 2020 - ADMIN CARES

Grant Number: DPHHS 19-028-13007-0
DPHHS 20-028-19067-0

	----LIEAP ADMIN----		----LIEAP CARES ADMIN----	
	Budget	Actual	Budget	Actual
REVENUE				
Grant	\$ 80,716	\$ 80,716	\$ 28,685	\$ 28,685
Total Revenue	<u>\$ 80,716</u>	<u>\$ 80,716</u>	<u>\$ 28,685</u>	<u>\$ 28,685</u>
EXPENSES	\$ 80,716	\$ -	\$ 28,685	\$ -
Salaries and Fringe Benefits	-	73,187	-	27,207
Supplies	-	844	-	-
Communication	-	1,296	-	145
Space Costs	-	3,206	-	1,387
Travel	-	121	-	-
Office Costs	-	2,062	-	-
Total Expenses	<u>\$ 80,716</u>	<u>\$ 80,716</u>	<u>\$ 28,685</u>	<u>\$ 28,739</u>
Revenue Over/Under Expenses		\$ -		\$ (54)
Transfer In		\$ -		\$ 54
Net Assets at October 1, 2018		<u>\$ -</u>		<u>\$ -</u>
Net Assets at August 31, 2020		<u><u>\$ -</u></u>		<u><u>\$ -</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

LOW INCOME ENERGY ASSISTANCE PROGRAM

Grant Period: November 14, 2019 to November 11, 2020 - Contingency Revolving Fund (CRF)

Grant Number: DPHHS 19-028-13007-0

	----LIEAP CRF---- Actual
REVENUE	
Grant	\$ 140,691
Total Revenue	<u>\$ 140,691</u>
EXPENSES	
Direct Services	\$ 140,691
Total Expenses	<u>\$ 140,691</u>
Revenue Over/Under Expenses	\$ -
Net Assets at November 14, 2019	<u>\$ -</u>
Net Assets at November 11, 2020	<u><u>\$ -</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

LIEAP CLIENT EDUCATION & OUTREACH PROGRAM

Grant Period: October 1, 2018 to August 31, 2020 - CLIENT ED
October 1, 2018 to August 31, 2020 - OUTREACH

Grant Numbers: DPHHS 19-028-13007-0
DPHHS 18-028-15057-0

	----CLIENT ED----		----OUTREACH----	
	Budget	Actual	Budget	Actual
REVENUE				
Grant	\$ 40,771	\$ 32,807	\$ 48,061	\$ 48,061
Total Revenue	<u>\$ 40,771</u>	<u>\$ 32,807</u>	<u>\$ 48,061</u>	<u>\$ 48,061</u>
EXPENSES				
Salaries & Fringe Benefits	\$ -	\$ 38,394	\$ -	\$ 42,721
Communications	-	283	-	306
Space Costs	-	2,094	-	2,194
Travel	-	-	-	675
Office Costs	-	-	-	2,165
Total Expenses	<u>\$ -</u>	<u>\$ 40,771</u>	<u>\$ -</u>	<u>\$ 48,061</u>
Revenue Over/Under Expenses		\$ -		\$ -
Net Assets at October 1, 2018		<u>\$ -</u>		<u>\$ -</u>
Net Assets at August 31, 2020		<u><u>\$ -</u></u>		<u><u>\$ -</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

NORTHWESTERN ENERGY WEATHERIZATION PROGRAM

Grant Period: January 1, 2020 to December 10, 2020

Grant Number: DPHHS 20-028-33007-0

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant	\$ 395,766	\$ 119,671
Total Revenue	<u>\$ 395,766</u>	<u>\$ 119,671</u>
EXPENSES		
NWE Program Overhead	\$ 138,518	\$ 50,464
NWE Health and Safety	45,018	9,198
NWE Program Operations	212,230	61,229
Total Expenses	<u>\$ 395,766</u>	<u>\$ 120,891</u>
Revenue Over/Under Expenses	<u>\$ -</u>	\$ (1,220)
Transfer In		\$ 1,220
Net Assets at January 1, 2020		<u>\$ -</u>
Net Assets at December 10, 2020		<u><u>\$ -</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

ENERGY SHARE

Grant Period: July 1, 2020 to June 30, 2021

Grant Number: FY 2020-21

	<u>Actual</u>
REVENUE	
General Energy Funds	\$ 5,911
USB Funds	57,604
Energy Deposits	3,505
Water Heater	3,266
Administrative Funds	2,533
Donations	5,700
Total Revenues	<u>\$ 78,519</u>
EXPENSES	
Energy Assistance	\$ 6,791
Energy Assistance - USB	54,037
Energy Assistance - Deposits	2,955
Energy Assistance - Water Heater	3,266
Administration	15,522
Total Expenses	<u>\$ 82,571</u>
Revenue Over/Under Expenses	\$ (4,052)
Transfer In/Out	\$ 4,052
Net Assets at July 1, 2020	<u>\$ 13,474</u>
Net Assets at June 30, 2021	<u>\$ 13,474</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

SUPPLEMENTAL WEATHERIZATION ASSISTANCE

Grant Period: July 1, 2020 to June 30, 2021 - ESOM

	<u>Actual</u>
REVENUE	
Energy Share Fees/Reimb	\$ 1,483
Contract Income	<u>222</u>
Total Revenue	<u>\$ 1,705</u>
EXPENSES	
Labor and Materials	\$ 1,130
Subcontractor Services	<u>353</u>
Total Expenses	<u>\$ 1,483</u>
Revenue over/under expenses	\$ 222
Transfer Out	\$ (222)
Net Assets at July 1, 2020	<u>\$ -</u>
Net Assets at June 30, 2021	<u><u>\$ -</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

HEALTHY HOUSING HOUSING FIRST VILLAGE

Grant Period: July 1, 2019 to September 30, 2020 - LISC

Grant Number: LISC 41189-0043

	----LISC----	
	Budget	Actual
REVENUE		
Grant	\$ 15,300	\$ 15,300
Total Revenue	<u>\$ 15,300</u>	<u>\$ 15,300</u>
EXPENSES		
Salaries and Fringe Benefits	\$ 13,909	\$ 13,912
Administration	1,391	3,424
Total Expenses	<u>\$ 15,300</u>	<u>\$ 17,336</u>
Revenue Over/Under Expenses	<u>\$ -</u>	\$ (2,036)
Transfer In		\$ 2,036
Net Assets at July 1, 2019		<u>\$ -</u>
Net Assets at September 30, 2020		<u><u>\$ -</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

BRIDGES TO CAREER OPPORTUNITIES

Grant Period: January 1, 2020 to December, 31 2020

Grant Number: LISC 41189-0045

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant	\$ 30,000	\$ 30,000
Total Revenue	<u>\$ 30,000</u>	<u>\$ 30,000</u>
EXPENSES		
Salary and Fringe Benefits	\$ 27,273	\$ 29,271
Administration	<u>2,727</u>	<u>734</u>
Total Expenses	<u>\$ 30,000</u>	<u>\$ 30,005</u>
Revenue Over/Under Expenses	<u>\$ -</u>	\$ (5)
Transfer In		\$ 5
Net Assets at January 1, 2020		<u>\$ -</u>
Net Assets at December 31, 2021		<u><u>\$ -</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

SECTION 8 HOUSING PROGRAM

Grant Period: July 1, 2019 to June 30, 2020

Grant Number: MT DOC 20-745-0006
MT DOC 20-745-0006 - CARES
NeighborWorks Montana (NWMt)

	<u>Actual</u>
REVENUE	
MDOC Contract Income	\$ 205,320
NWMt Contract Income	11,387
Total Revenue	<u>\$ 216,707</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 209,536
Travel & Training	4,077
Space	10,891
Office Costs	11,506
Insurance	1,042
Communications	770
Housing Assistance Payments	504
Other	740
Total Expenses	<u>\$ 239,066</u>
Revenue Over/Under Expenses	\$ (22,359)
Paycheck Protection Program Loan Proceeds	22,360
Net Assets at July 1, 2020	<u>\$ 46,303</u>
Net Assets at June 30, 2021	<u><u>\$ 46,304</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

HUD EMERGENCY SHELTER GRANTS PROGRAM

Grant Period: August 1, 2019 to August 31, 2020

Grant Number: DPHHS 19-028-51007-0

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant	\$ 76,337	\$ 76,337
Total Revenue	<u>\$ 76,337</u>	<u>\$ 76,337</u>
EXPENSES		
Prevention of Homelessness - Security Deposits	\$ 1,100	\$ 1,100
Prevention of Homelessness - Rental Assistance	1,855	1,855
Prevention of Homelessness - Rental Assistance Arrears	17,189	17,189
Prevention of Homelessness - Housing Search & Placement	11,193	11,533
Homeless Services - Security Deposits	25,620	25,620
Homeless Services - Rental Assistance	6,829	6,829
Homeless Services - Rental Assistance Medium Term	2,668	2,668
Homeless Services - Housing Search & Placement	5,539	5,681
Administration	4,343	4,664
Total Expenses	<u>\$ 76,337</u>	<u>\$ 77,139</u>
Revenue Over/Under Expenses	<u>\$ -</u>	\$ (802)
Transfer In		\$ 802
Net Assets at August 1, 2019		<u>\$ -</u>
Net Assets at July 31, 2020		<u><u>\$ -</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

HOME TO STAY - EMERGENCY SERVICES

Report Period: July 1, 2020 to June 30, 2021

Grant Number: NeighborWorks MT (NWMT)
September 30, 2020 to December 31, 2020

City of Bozeman
March 1st, 2021 to June 30th, 2022

	<u>Actual</u>
REVENUE	
Private Grant Revenue	\$ 15,000
United Way	29,000
Donations	12,112
MHN / NWMT	13,150
City of Bozeman	50,000
Misc Income	4,945
Total Revenues	<u>\$ 124,207</u>
EXPENSES	
Prevention of Homelessness	\$ 6,411
Homeless Services	164
Salaries & Fringe Benefits	149,493
Supportive Services	4,986
Office Expenses	16,108
Other Expenses	102
Total Expenses	<u>\$ 177,264</u>
Revenue Over/Under Expenses	\$ (53,057)
Transfer In	\$ 47,194
Paycheck Protection Program Loan Proceeds	7,481
Transfer Out	\$ (1,618)
Net Assets at July 1, 2020	<u>\$ -</u>
Net Assets at June 30, 2021	<u><u>\$ -</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

RYAN WHITE PART B HIV CARE

Grant Period: October 1, 2019 to September 29, 2020

Grant Number: 17-07-4-51-310-0

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Grant	\$ 33,885	\$ 30,325
Total Revenues	<u>\$ 33,885</u>	<u>\$ 30,325</u>
EXPENSES		
Rental Assistance		\$ 25,344
Case Management		3,299
Administration		1,682
Total Expenses		<u>\$ 30,325</u>
Revenue Over/Under Expenses		\$ -
Transfer In/Out		\$ -
Net Assets at October 1, 2019		<u>\$ -</u>
Net Assets at September 29, 2020		<u><u>\$ -</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

RAPID RE-HOUSING

Grant Period: July 1, 2020 to June 30, 2021

Grant Number: HUD MT0055L8T001904

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant	\$ 106,657	\$ 76,966
Total Revenues	<u>\$ 106,657</u>	<u>\$ 76,966</u>
EXPENSES		
Rental Assistance	\$ 106,657	\$ 56,972
Security Deposit Assistance	-	9,274
Case Management	-	2,730
Administration	-	14,281
Total Expenses	<u>\$ 106,657</u>	<u>\$ 83,257</u>
Revenue Over/Under Expenses		\$ (6,291)
Transfer In		\$ 6,291
Net Assets at July 1, 2020		<u>\$ -</u>
Net Assets at June 30, 2021		<u><u>\$ -</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

WARMING CENTER

Report Period: July 1, 2020 to June 30, 2021

	<u>Actual</u>
REVENUE	
Donations	\$ 242,930
Grant	53,885
Private Grant	15,000
Fund Raising	22,639
Misc Income	2,668
Total Revenues	<u>\$ 337,122</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 231,599
Contract Services	4,590
Rent	121,800
Travel & Training	7,465
Supplies	11,244
Communications	3,071
Office Costs	4,429
Equipment	58,354
Supportive Services	614
Other	3,298
Utilities	15,875
Maintenance & Repairs	5,948
Fund Raising	2,726
Insurance	1,975
Taxes	12,123
Advertising	9,060
Audit	1,555
Total Expenses	<u>\$ 495,726</u>
Revenue Over/Under Expenses	\$ (158,604)
Transfer In	205,890
Paycheck Protection Program	6,607
Net Assets at July 1, 2020	<u>\$ 43,680</u>
Net Assets at June 30, 2021	<u><u>\$ 97,573</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

LIVINGSTON WARMING CENTER

Report Period: July 1, 2020 to June 30, 2021

	<u>Actual</u>
REVENUE	
Donations	\$ 31,748
Private Grant Revenue	45,500
United Way Income	11,000
City of Livingston	22,000
Fundraising	250
Total Revenues	<u>\$ 110,498</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 95,364
Rent	6,875
Travel & Training	995
Supplies	875
Communications	1,191
Office Costs	395
Other	94
Utilities	427
Maintenance & Repairs	134
Fund Raising	423
Insurance	658
Advertising	98
Audit	494
Total Expenses	<u>\$ 108,023</u>
Revenue Over/Under Expenses	\$ 2,475
Transfer In	-
Net Assets at July 1, 2020	<u>-</u>
Net Assets at June 30, 2021	<u>\$ 2,475</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

GALLATIN VALLEY FOOD BANK

Report Period: July 1, 2020 to June 30, 2021

	<u>Actual</u>
REVENUE	
Contributions:	
Food *	\$ 3,115,443
United Way	550
Gallatin County Senior Mill Levy	10,500
Other	1,175,149
Fund Raising	206,679
Other Grant Revenue	13,834
Other Income	9,786
Total Revenues	<u>\$ 4,531,941</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 594,080
Travel & Training	190
Warehouse Space	12,665
Communication	3,466
Utilities, Garbage, Snow Removal	15,068
Fund Raising	14,590
Vehicle	8,718
Repairs & Maintenance	7,943
Supplies	8,498
Insurance	18,026
Food Purchases	55,082
Food Distributions *	2,987,129
Office costs	17,917
Audit	3,218
Interest Expense	3,001
Depreciation Expense	29,523
Other	3,055
Total Expenses	<u>\$ 3,782,169</u>
Revenue Over/Under Expenses	\$ 749,772
Transfer Out	(10,306)
Transfer In	
From: Huffing For Stuffing	45,647
Private Grant - Covid Response	16,525
Net Assets at July 1, 2020	<u>\$ 1,633,188</u>
Net Assets at June 30, 2021	<u><u>\$ 2,434,826</u></u>

* Food Contributions In-Kind valued at \$1.74 per pound

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

GALLATIN VALLEY FOOD BANK - SENIOR CFSP

Report Period: October 1, 2019 to September 30, 2020

Grant Number: DPHHS 20-027-21002-0

	<u>Actual</u>
REVENUE	
Fund Raising	\$ 40
Senior Food Contract Income	164,145
Contributions	12,504
Total Revenues	<u>\$ 176,689</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 19,226
Fund Raising	64
Supplies	326
Insurance	79
Food Purchases	492
Food Distributions *	148,261
Office costs	1,105
Audit	314
Equipment	1,433
Total Expenses	<u>\$ 171,300</u>
Revenue Over/Under Expenses	\$ 5,389
Transfer In	5,000
Net Assets at October 1, 2019	<u>\$ 20,108</u>
Net Assets at September 30, 2020	<u><u>\$ 30,497</u></u>

* Food Contributions In-Kind valued at \$1.74 per pound

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

FORK AND SPOON HOMESTYLE KITCHEN

Report Period: July 1, 2020 to June 30, 2021

	<u>Actual</u>
REVENUES	
Donations	\$ 254,822
Meals Service (Net of Discounts)	8,947
Catering & Space Rental	88,434
Fund Raising	108,012
Covid Funded State Grant	75,000
Kitchen Rental Fees	8,583
Total Revenues	<u>\$ 543,798</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 327,337
Contract Services	26,094
Parking Lot Space	13,200
Travel & Training	1,134
Communications	2,480
Utilities, Garbage, Grounds Maintenance	28,416
Fund Raising	6,107
Outreach/Public Relations	658
Vehicle	52,725
Repairs & Maintenance	10,395
Supplies	15,057
Insurance	7,528
Food Purchases	95,561
Office Costs	3,851
Audit	3,308
Interest Expense	5,823
Depreciation Expense	11,880
Other	11,056
Total Expenses	<u>\$ 622,610</u>
Revenue Over/Under Expenses	\$ (78,812)
Transfers In	
From: Summer Lunch	\$ 31,230
Private Grant - Covid Response	\$ 42,160
Net Assets at July 1, 2020	<u>\$ (230,858)</u>
Net Assets at June 30, 2021	<u><u>\$ (236,280)</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

HEALTHY KIDSPACK PROGRAM

Report Period: July 1, 2020 to June 30, 2021

	<u>Actual</u>
REVENUE	
Private Grant Revenue	\$ -
Fund Raising	31,316
Donations	76,549
Restricted Donations	15,000
Total Revenues	<u>\$ 122,865</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 26,543
Fund Raising	1,489
Outreach	1,000
Supplies	245
Insurance	165
Food Purchases	27,796
Office Costs	392
Audit	386
Other	32
Total Expenses	<u>\$ 58,048</u>
Revenue Over/Under Expenses	\$ 64,817
Net Assets at July 1, 2020	<u>\$ 71,563</u>
Net Assets at June 30, 2021	<u><u>\$ 136,380</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

SUMMER LUNCH PROGRAM

Grant Period: October 1, 2019 to September 30, 2020

Grant Number: MT OPI 16-6512

	<u>Actual</u>
REVENUE	
Summer Lunch Contract Income	\$ 95,276
COVID Funding	219,418
Donations	710
Private Grant	4,000
Total Revenue	<u>\$ 319,404</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 46,366
Vehicle	26
Travel & Training	36
Supplies	2,926
Office Costs	1,692
Food Purchases	35,557
Sub-Grant	198,260
Total Expenses	<u>\$ 284,863</u>
Revenue Over/Under Expenses	\$ 34,541
Transfer Out	\$ (34,540)
Net Assets at October 1, 2019	<u>\$ 5,099</u>
Net Assets at September 30, 2020	<u><u>\$ 5,100</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

HEADWATERS AREA FOOD BANK

Report Period: July 1, 2020 to June 30, 2021

	<u>Actual</u>
REVENUE	
Contributions:	
Food *	\$ 151,562
Other	112,519
Private Grant	-
Building Fund	5,600
Fund Raising	1,500
Total Revenues	<u>\$ 271,181</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 56,658
Travel & Training	36
Communications	1,810
Rent	1,300
Utilities, Garbage, Snow Removal	4,226
Fund Raising	476
Vehicle	778
Depreciation	4,631
Repairs & Maintenance	1,553
Insurance	2,249
Food Purchases	13,270
Food Distributions *	148,821
Office Costs	916
Audit	961
Taxes	2,335
Other	147
Total Expenses	<u>\$ 240,167</u>
Revenue Over/Under Expenses	\$ 31,014
Transfer In	-
Paycheck Protection Program Loan Proceeds	-
Net Assets July 1, 2020	<u>135,080</u>
Net Assets at June 30, 2021	<u><u>\$ 166,094</u></u>

* Food Contributions In-Kind valued at \$1.74 per pound

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

BIG SKY COMMUNITY FOOD BANK

Report Period: July 1, 2020 to June 30, 2021

	<u>Actual</u>
REVENUE	
Contributions:	
Food *	\$ 59,865
United Way	1,000
Big Sky Resort Tax	33,812
Other	85,544
Private Grant	17,600
State Grant	5,000
Fund Raising	500
Misc Revenue	916
Total Revenues	<u>\$ 204,237</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 83,981
Communications	1,290
Space Rental	21,032
Utilities, Garbage, Snow Removal	4,086
Fund Raising	1,864
Outreach/Public Relations	978
Vehicle	1,600
Repairs & Maintenance	2,989
Insurance	1,837
Food Purchases	8,229
Food Distributions *	76,280
Office Costs	3,390
Audit	800
Other	30
Total Expenses	<u>\$ 208,386</u>
Revenue Over/Under Expenses	\$ (4,149)
Net Assets at July 1, 2020	<u>\$ 133,003</u>
Net Assets at June 30, 2021	<u><u>\$ 128,854</u></u>

* Food Contributions In-Kind valued at \$1.74 per pound

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

IN HOME SERVICES

Grant Period: July 1, 2020 to June 30, 2021

Grant Number: Area IV Agency on Aging 2020-004-013 (Gallatin County)

	Budget	Actual
REVENUE		
Title III Revenue	\$ 52,766	\$ 52,766
Title III Revenue - Respite	22,298	22,298
United Way	5,040	5,040
Donations	39,553	100
Misc Income	-	449
Other Grant Revenue	5,000	5,000
Total Revenues	<u>\$ 124,657</u>	<u>\$ 85,653</u>
EXPENSES		
Salaries & Fringe Benefits	\$ 105,665	\$ 103,123
Supplies	600	401
Communications	350	380
Travel & Training	1,000	2,476
Insurance	1,115	1,207
Audit	250	467
Other - Program Support	15,677	697
Total Expenses	<u>\$ 124,657</u>	<u>\$ 108,751</u>
Revenue Over/Under Expenses	<u>\$ -</u>	\$ (23,098)
Transfer In		\$ 23,098
Net Assets at July 1, 2020		<u>\$ 37,431</u>
Net Assets at June 30, 2021		<u><u>\$ 37,431</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

IN-HOME SERVICES - PARK COUNTY

Grant Period: July 1, 2020 to June 30, 2021

Grant Number: Area IV Agency on Aging 2021-004-013 (Park County)

	Budget	Actual
REVENUE		
Title III Revenue	\$ 24,500	\$ 24,500
Title III Revenue - Respite	19,794	19,794
United Way	7,960	7,960
Donations	3,996	-
Misc Income	-	99
Other Grant Revenue	9,000	9,000
Total Revenues	<u>\$ 65,250</u>	<u>\$ 61,353</u>
EXPENSES		
Salaries & Fringe Benefits	\$ 53,130	\$ 58,427
Supplies	700	191
Travel & Training	1,450	491
Building Space	-	95
Insurance	750	658
Audit	200	332
Other - Program Support	9,020	-
Total Expenses	<u>\$ 65,250</u>	<u>\$ 60,194</u>
Revenue Over/Under Expenses	<u>\$ -</u>	\$ 1,159
Transfer In		\$ 742
Net Assets at July 1, 2020		<u>\$ 6,773</u>
Net Assets at June 30, 2021		<u><u>\$ 8,674</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

RETIRED SENIOR VOLUNTEER PROGRAM

Grant Period: April 1, 2020 to March 31, 2021

Grant Number: CNCS 18SRPMT002 (Year 3)
Area IV Agency on Aging (Title III) 2021-004-013

	Budget	Actual	In-Kind	Excess Non-Federal Share
REVENUE				
Federal Grant	\$ 91,161	\$ 91,161	\$ -	\$ -
Federal Grant - 3-Year Augmentation Carryfwd	107,595	107,596	-	-
Gallatin County Senior Mill Levy	11,000	11,000	-	-
United Way	5,000	6,000	-	-
Title III Grant	7,675	4,829	-	2,846
Donations	15,440	4,470	-	-
Work site	2,935	-	-	-
Other Grant Revenue	10,000	12,984	-	-
In-Kind	45,330	-	10,039	-
Total Revenues	<u>\$ 296,136</u>	<u>\$ 238,040</u>	<u>\$ 10,039</u>	<u>\$ 2,846</u>
EXPENSES				
Personnel Expense				
Project Director	\$ 57,720	\$ 54,742	\$ -	\$ 2,493
Program Coordinators	37,492	37,825	-	-
Senior Reach Program Manager	29,775	20,154	-	-
Fiscal Staff	6,750	6,143	-	-
Executive	4,530	5,976	-	-
Personnel	4,600	4,706	-	-
Receptionists	2,600	2,158	-	-
Fringe Benefits	26,499	27,772	-	353
Agency-wide Insurance	-	1,695	-	-
Local Travel	885	68	-	-
Long Distance Travel	3,000	-	-	-
Supplies	10,215	3,769	-	-
Computer Service	1,788	3,299	-	-
Senior Reach: Community Health Partners	59,907	31,907	-	-
Senior Reach Licensing Fee	5,300	5,300	-	-
Communications	2,100	2,828	-	-
Printing	5,977	34	345	-
Space	21,694	16,539	9,694	-
Audit	735	693	-	-
Other	500	226	-	-
Volunteer Expense				
Meals	1,000	34	-	-
Insurance	1,060	1,444	-	-
Travel	2,009	-	-	-
Supplies	-	1,882	-	-
Recognition	10,000	3,233	-	-
Total Expenses	<u>\$ 296,136</u>	<u>\$ 232,427</u>	<u>\$ 10,039</u>	<u>\$ 2,846</u>
Revenue Over/Under Expenses	<u>\$ -</u>	<u>\$ 5,613</u>	<u>\$ -</u>	<u>\$ -</u>
Net assets at April 1, 2020		<u>\$ 5,299</u>	<u>\$ -</u>	<u>\$ -</u>
Net assets at March 31, 2021		<u>\$ 10,912</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

STATE HEALTH INSURANCE PROGRAM (SHIP) - INFORMATION & ASSISTANCE

Grant Period: July 1, 2020 to June 30, 2021

Grant Number: Area IV Agency on Aging 2020-004-013

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant	\$ 50,000	\$ 50,000
Other Income	11,222	-
Total Revenue	<u>\$ 61,222</u>	<u>\$ 50,000</u>
EXPENSES		
Salaries & Fringe Benefits	\$ 52,522	\$ 65,595
Supplies	500	562
Building Space	5,000	4,223
Travel	1,000	114
Insurance	500	165
Audit	200	273
Other	1,500	245
Total Expenses	<u>\$ 61,222</u>	<u>\$ 71,177</u>
Revenue Over/Under Expenses	<u>\$ -</u>	\$ (21,177)
Transfer In		\$ 21,177
Net Assets at July 1, 2020		<u>\$ -</u>
Net Assets at June 30, 2021		<u><u>\$ -</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

SENIOR MEDICARE PATROL

Grant Period: June 1, 2020 to May 31, 2021

Grant Number: Area XI Agency on Aging MOU

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant	\$ 9,537	\$ 10,537
Total Revenue	<u>\$ 9,537</u>	<u>\$ 10,537</u>
EXPENSES		
Salaries & Fringe Benefits	\$ 9,537	\$ 7,499
Space	-	797
Total Expenses	<u>\$ 9,537</u>	<u>\$ 8,296</u>
Revenue Over/Under Expenses	<u>\$ -</u>	\$ 2,241
Transfer Out		\$ (1,384)
Transfer In		\$ 143
Net Assets at June 1, 2020		<u>\$ -</u>
Net Assets at May 31, 2021		<u>\$ 1,000</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

SHERWOOD SERVICE COORDINATOR

Grant Period: January 1, 2020 to December 31, 2020

Grant Number: MFSC179734-01-04

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant	\$ 38,404	\$ 32,563
Total Revenue	<u>\$ 38,404</u>	<u>\$ 32,563</u>
EXPENSES		
Salaries & Fringe Benefits	\$ 30,885	\$ 34,528
Travel & Training	4,050	485
Other	3,469	2,227
Total Expenses	<u>\$ 38,404</u>	<u>\$ 37,240</u>
Revenue Over/Under Expenses	<u><u>\$ -</u></u>	\$ (4,677)
Transfer In from Sherwood Apts Inc		\$ 4,677
Net Assets at January 1, 2020		<u>\$ -</u>
Net Assets at December 31, 2020		<u>\$ -</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

GALAVAN / SENIOR TRANSPORTATION

Grant Period: July 1, 2020 to June 30, 2021
Grant Names: MT DOT 111298 - Section 5311 Capital
MT DOT - TransAde

	Budget	Actual	Capital Actual
REVENUE			
Title III Revenue	\$ 21,400	\$ 21,400	\$ -
ParaTransit Contract - Streamline	127,411	101,500	-
MT DOT Transade	163,789	163,789	-
MT DOT Capital Grants - Vehicles	-	-	55,128
MT DOT CARES Funding	-	413,869	-
Local Revenue			
Friends of Galavan	3,500	7,500	-
Gallatin County	80,000	80,000	-
City of Bozeman	129,000	129,423	-
City of Belgrade	10,000	10,000	-
United Way	10,000	-	-
Rider Donations	15,000	3,934	-
Contributions	2,000	3,160	-
Storage Space Rental Income	5,000	2,788	-
Investment Income/Other	10,500	9	-
Contract Income-Headstart/Family Promise	5,300	-	-
Other	-	3,749	-
Total Revenues	<u>\$ 582,900</u>	<u>\$ 941,121</u>	<u>\$ 55,128</u>
EXPENSES			
Salaries & Fringe Benefits	\$ 391,400	\$ 383,071	\$ -
HRDC Admin. Cost Allocations	55,000	54,610	-
Gas & Oil	55,000	42,258	-
Repairs & Maintenance	40,000	37,942	-
Insurance	18,000	20,200	-
Bus Barn Operating Costs	5,000	4,072	-
Travel & Training	2,500	667	-
Advertising/PR	1,500	986	-
Cleaning	-	17,086	-
Supplies	3,500	4,633	-
Communications	4,500	3,336	-
Audit	1,000	1,309	-
Other (incl RM software)	5,000	6,421	-
Equipment-Other	500	21,898	-
Equipment-Vehicles	-	-	64,857
Total Expenses	<u>\$ 582,900</u>	<u>\$ 598,489</u>	<u>\$ 64,857</u>
Revenue Over/Under Expenses	<u>\$ -</u>	\$ 342,632	\$ (9,729)
Operating Funds Applied to Capital		\$ (9,729)	\$ 9,729
Transfer Out		\$ -	\$ -
Transfer In - Smyth Interest Income		\$ 10,500	\$ -
Net Assets at July 1, 2020		<u>\$ 276,868</u>	<u>\$ -</u>
Net Assets at June 30, 2021		<u><u>\$ 620,271</u></u>	<u><u>\$ -</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

STREAMLINE BUS / PUBLIC TRANSPORTATION

Grant Period: July 1, 2020 to June 30, 2021

Grant Names: MT DOT 111298 - Section 5311 Operating
 MT DOT 111733 - Section 5311 Capital Grant - Bus Purchase
 Montana State University - Contract # CS180031
 Streamline AARP Private Grant
 City of Bozeman - General Funding

	<u>Budget</u>	<u>Actual</u>	<u>Capital Actual</u>
REVENUE			
MT DOT Operating Grant	\$ 1,236,777	\$ 381,027	\$ -
MT DOT Capital Grant	-	-	1,436,010
MT CARES Grant	23,235	1,298,398	-
AARP Grant	-	9,080	-
Local Revenue			
Associated Students of MSU	194,500	189,837	-
Contract Income	101,000	-	-
City of Bozeman	300,000	300,000	-
Bozeman Health	10,000	-	-
City of Belgrade	8,000	20,000	-
Montana State University	112,000	85,000	-
Investment Income/Other	2,000	60	-
Storage Space Rental Income	14,000	6,662	-
Contributions	1,000	20	-
Insurance Revenue	1,000	1,000	-
Total revenues	<u>\$ 2,003,512</u>	<u>\$ 2,291,084</u>	<u>\$ 1,436,010</u>
EXPENSES			
Salaries & Fringe Benefits	\$ 150,000	137,136	-
HRDC Admin Cost Allocations	82,000	83,961	-
Contract Services	1,073,511	832,796	-
Gas & Oil	188,000	103,154	-
Repairs & Maintenance	250,000	154,252	-
Insurance	145,000	163,545	-
Bus Barn Operating Costs	13,000	17,404	-
Parking Garage Cleaning/Security	15,000	58,651	-
Travel & Training	8,000	2,559	-
Advertising/PR & Outreach	40,000	45,364	-
Supplies	5,000	12,535	-
Communications	8,000	8,094	-
Audit	2,000	2,393	-
Other	2,000	1,072	-
Equipment - Other	1,000	28,834	-
Equipment - Vehicles	-	-	1,689,424
Equipment - Vehicle Wraps	-	14,193	-
Equipment - GPS Tracking Software	20,000	19,689	-
Transportation Development Plan	-	-	56,979
Total Expenses	<u>\$ 2,002,511</u>	<u>\$ 1,685,632</u>	<u>\$ 1,746,403</u>
Revenue Over/Under Expenses	<u>\$ 1,001</u>	\$ 605,452	\$ (310,393)
Operating Funds Applied to Capital		\$ (310,393)	\$ 310,393
Transfer Out		\$ -	\$ -
Net Assets at July 1, 2020		<u>\$ 660,497</u>	-
Net Assets at June 30, 2021		<u>\$ 955,556</u>	-

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

WORKFORCE INNOVATION & OPPORTUNITY ACT - YOUTH

Grant Period: July 1, 2020 to June 30, 2021

Grant Name: DLISFY20CONWSD_102

	Budget	Actual	Modification #1 Budget	Actual
REVENUE				
Grant	\$ 171,547	\$ 171,547	\$ 10,263	\$ 10,263
Total Revenues	<u>\$ 171,547</u>	<u>\$ 171,547</u>	<u>\$ 10,263</u>	<u>\$ 10,263</u>
EXPENSES				
In-School	\$ 42,887	\$ 3,312	\$ 2,566	\$ 1,503
Out-of-School	128,660	168,238	7,697	8,766
Total Expenses	<u>\$ 171,547</u>	<u>\$ 171,550</u>	<u>\$ 10,263</u>	<u>\$ 10,269</u>
Revenue Over/Under Expenses	<u>\$ -</u>	\$ (3)	<u>\$ -</u>	\$ (6)
Transfer In		\$ 3		\$ 6
Net Assets at July 1, 2020		<u>\$ -</u>		<u>\$ -</u>
Net Assets at June 30, 2021		<u><u>\$ -</u></u>		<u><u>\$ -</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

CHAFEE FOSTER CARE INDEPENDENCE PROGRAM

Grant Period: July 1, 2020 to June 30, 2021

Contract Number: Action Inc (Butte) Sub Grant - DPHHS 20193FCIP0009

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant	\$ 109,842	\$ 109,842
Other Income	-	763
Total Revenues	<u>\$ 109,842</u>	<u>\$ 110,605</u>
EXPENSES		
Salaries & Fringe Benefits	\$ 84,158	\$ 89,630
Rent Expenses	3,120	3,120
Administrative	10,984	17,721
Travel & Training	8,000	2,997
Equipment & Supplies	880	471
Youth Stipends/Support	2,400	2,366
NYTD Survey Incentives	300	230
Total Expenses	<u>\$ 109,842</u>	<u>\$ 116,535</u>
Revenue Over/Under Expenses	<u>\$ -</u>	\$ (5,930)
Transfer In		\$ 5,930
Net Assets at July 1, 2020		<u>\$ -</u>
Net Assets at June 30, 2021		<u><u>\$ -</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

BLUEPRINT - YOUTH TRANSITIONAL LIVING HOUSE

Report Period: July 1, 2020 to June 30, 2021

	<u>Actual</u>
REVENUE	
Donations	\$ 41,624
Gallatin County	352
United Way	11,000
Fund Raising Income	250
Private Grants	10,000
Misc Income	2,721
Total Revenues	<u>\$ 65,947</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 126,634
Youth Stipends/Support	3,499
Equip	954
Utilities & Phone	8,859
Maintenance & Repairs	13,347
Supplies/Office Costs	4,647
Travel & Training	567
Legal & Audit	1,258
Insurance	3,686
Taxes	4,251
Interest Expense	20,413
Depreciation	22,939
Other Expenses	9,167
Total Expenses	<u>\$ 220,221</u>
Revenue Over/Under Expenses	\$ (154,274)
Paycheck Protection Program Loan Proceeds	\$ 40,448
Transfers In	
Greatest Needs	\$ 79,350
YHDP Transfers	\$ 15,919
Net Assets at July 1, 2020	<u>\$ 42,673</u>
Net Assets at June 30, 2021	<u><u>\$ 24,116</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

HEAD START PROGRAM

Grant Period: April 1, 2020 to March 31, 2021

Grant Number: HHS 08CH010871-02-00

	Budget	Actual	In-Kind
REVENUE			
Grant	\$ 1,755,056	\$ 1,755,056	\$ -
USDA Child Care Food Contract	42,000	48,706	-
State of MT CARES	31,560	55,500	-
Other Income	-	1,895	-
In-kind	416,049	-	172,709
Total Revenues	<u>\$ 2,244,665</u>	<u>\$ 1,861,157</u>	<u>\$ 172,709</u>
EXPENSES			
Salaries	\$ 1,131,695	\$ 1,143,912	\$ -
Fringe Benefits	326,035	342,835	-
Travel/Training	33,900	13,512	-
Supplies	31,675	75,930	-
Contract Services	36,600	72,323	-
Other	307,275	212,645	-
In-kind Expenses	416,049	-	172,709
Total Expenses	<u>\$ 2,283,229</u>	<u>\$ 1,861,157</u>	<u>\$ 172,709</u>
Revenue Over/Under Expenses	<u>\$ (38,564)</u>	\$ -	\$ -
Transfer In		\$ -	\$ -
Net Assets at April 1, 2020		<u>\$ -</u>	<u>\$ -</u>
Net Assets at March 31, 2021		<u>\$ -</u>	<u>\$ -</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

HEAD START CARES GRANT

Grant Period: April 1, 2020 to March 31, 2021

Grant Number: HHS 08CH010871-02-01

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant	\$ 133,612	\$ 133,612
Total Revenues	<u>\$ 133,612</u>	<u>\$ 133,612</u>
EXPENSES		
Salaries	\$ 95,000	\$ 93,105
Other	38,577	40,534
Total Expenses	<u>\$ 133,577</u>	<u>\$ 133,639</u>
Revenue Over/Under Expenses	<u>\$ 35</u>	\$ (27)
Transfer In		\$ 27
Net Assets at April 1, 2020		<u>\$ -</u>
Net Assets at March 31, 2021		<u><u>\$ -</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

HEAD START FACILITIES

Report Period: For the Year Ended June 30, 2021

	Bozeman Center Actual	Livingston Center Actual	Belgrade Center Actual
REVENUE			
Rental Income	\$ 32,400	\$ 42,000	\$ 74,400
Misc Income	-	18,000	-
Total Revenue	<u>\$ 32,400</u>	<u>\$ 60,000</u>	<u>\$ 74,400</u>
EXPENSES			
Gas & Electric	\$ 2,701	\$ 2,403	\$ 6,999
Water, Sewer, & Garbage	2,738	1,935	2,950
Maintenance & Repairs	9,677	26,889	14,295
Janitorial/Grounds	9,202	8,539	11,659
Property Management/Audit	2,000	2,000	2,000
Insurance	2,021	1,782	3,060
Taxes	693	-	107
Interest Expense	-	4,747	20,311
Depreciation	-	1,609	65,965
Total Expenses	<u>\$ 29,032</u>	<u>\$ 49,904</u>	<u>\$ 127,346</u>
Revenue Over/Under Expenses	\$ 3,368	\$ 10,096	\$ (52,946)
Net Assets at July 1, 2020	<u>\$ 57,515</u>	<u>\$ (19,723)</u>	<u>\$ 335,455</u>
Net Assets at June 30, 2021	<u><u>\$ 60,883</u></u>	<u><u>\$ (9,627)</u></u>	<u><u>\$ 282,509</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

ROAD TO HOME - HOMEOWNERSHIP CENTER

Report Period: July 1, 2020 to June 30, 2021

Grant Periods: MT Dept of Commerce (HOME) November 7, 2013 to March 31, 2021

City of Bozeman (COB) November 25, 2003 to June 30, 2022

City of Bozeman Affordable Hsg Ordinance (AHO) March 30, 2018 to June 30, 2022

MT HomeOwnership Network (MHN)/NeighborWorks MT (NWMT) October 1, 2004 to June 30, 2021

RTH Lending Pool: July 1, 2006 to June 30, 2021

Grant Number: HOME M13-SG300100-01-A/B/C/D/E/F/G/H/I/J

	HOME Actual	COB Actual	COB AHO Actual	CDBG Pgm Inc Actual	Other Actual	Total Actual
REVENUE						
Grant	\$ 95,645	\$ -	\$ -	\$ -	\$ -	\$ 95,645
Contract Income	-	40,000	2,000	-	81,261	123,261
Contributions	-	-	-	-	2,615	2,615
Family First Coronavirus Relief Tax Credit	-	-	-	-	1,175	1,175
Homebuyer Loans Repaid	190,658	44,900	-	20,000	-	255,558
Appreciation Share Realized	46,703	31,871	-	19,024	-	97,598
Total Revenues	<u>\$ 333,006</u>	<u>\$ 116,771</u>	<u>\$ 2,000</u>	<u>\$ 39,024</u>	<u>\$ 85,051</u>	<u>\$ 575,852</u>
EXPENSES						
Salaries & Fringe	\$ 13,437	\$ 5,231	\$ 491	\$ -	\$ 109,541	\$ 128,700
Space	662	419	33	-	3,382	4,496
Communications	30	19	9	-	386	444
Supplies	-	-	1,000	-	2,612	3,612
Contract Services	-	-	-	-	1,103	1,103
Audit & Legal	-	-	-	-	1,072	1,072
Travel & Training	-	-	-	-	1,176	1,176
Homebuyer Loan Fees	1,128	-	-	-	-	1,128
Total Expenses	<u>\$ 15,257</u>	<u>\$ 5,669</u>	<u>\$ 1,533</u>	<u>\$ -</u>	<u>\$ 119,272</u>	<u>\$ 141,731</u>
Revenue Over/(Under) expenses	\$ 317,749	\$ 111,102	\$ 467	\$ 39,024	\$ (34,221)	\$ 434,121
Homebuyer Loans Disbursed	\$ (267,803)	\$ -	\$ -	\$ -	\$ -	\$ (267,803)
Net assets at July 1, 2020	<u>\$ 4,912</u>	<u>\$ 475,043</u>	<u>\$ 2,484</u>	<u>\$ 112,077</u>	<u>\$ (96,433)</u>	<u>\$ 498,083</u>
Net Assets for Operations at June 30, 2021	<u>\$ 54,858</u>	<u>\$ 327,153</u>	<u>\$ 2,951</u>	<u>\$ 34,399</u>	<u>\$ (141,974)</u>	<u>\$ 277,387</u>
Net Assets for Lending at June 30, 2021	<u>\$ -</u>	<u>\$ 258,992</u>	<u>\$ -</u>	<u>\$ 116,702</u>	<u>\$ 11,320</u>	<u>\$ 387,014</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

RESOURCE PROPERTY MANAGEMENT

Report Period: July 1, 2020 to June 30, 2021

	<u>Actual</u>
REVENUE	
HRDC Owned	
Management fees: Boulevard Apts (42 units)	\$ 19,145
Management fees: Colorado Apts (8 units)	4,139
Management fees: Cottages @ Menicucci Sq (18 units)	12,698
Management fees: Darlinton Apts LP (100 units)	27,148
Management fees: Miles Apts LP (47 units)	18,921
Management fees: Sherwood Inn Apts Inc (50 units)	21,190
Management fees: Summit Place Apts (7 units)	4,533
Management fees: West Babcock Apts (24 units)	18,313
Management fees: West Edge Condos (4 units)	2,348
Management fees: HRDC Facilities (14 buildings)	29,600
Third-Party Owned	
Management fees: Antelope Court Apts (30 units)	16,249
Management fees: Big Sky Villas Apts (24 units)	18,876
Management fees: Boulevard Apts LLC (42 units)	1,463
Management fees: Buffalo Court Apts (20 units)	9,725
Management fees: Castle Mountain Apts (10 units)	8,760
Management fees: Darlinton Apts LLC (100 units)	8,978
Management fees: Miles Apts LLC (47 units)	5,622
Management fees: Sherwood Inn Apts LLC (50 units)	5,472
Other Income	2,430
Total Revenues	<u>\$ 235,610</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 190,323
Contract Services	1,025
Travel & Training	2,672
Space Costs	5,827
Communications	1,403
Supplies	7,499
Office Costs	1,676
Liability Insurance	4,305
Other	469
Total Expenses	<u>\$ 215,199</u>
Revenue over/under expenses	\$ 20,411
Transfer In (Out)	\$ 2,469
Net assets at July 1, 2020	<u>\$ 146,575</u>
Net assets at June 30, 2021	<u><u>\$ 169,455</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

COMMUNITY SERVICES BLOCK GRANT

Grant Period: January 1, 2019 to August 31, 2020

Grant Number: DPHHS 19-028-10007-0

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant	\$ 332,667	\$ 332,667
Misc Income		
Total Revenue	<u>\$ 332,667</u>	<u>\$ 332,667</u>
EXPENSES		
Salaries & Fringe	\$ 214,760	\$ 213,265
Consultants & Contract Services	-	6,000
Travel/Training	3,000	15,717
Space	7,500	10,706
Supplies	4,000	585
Small Equipment	-	3,700
Other Non-Direct Expenses	-	8,483
Support for Programs/Projects and Other Costs	103,407	74,211
Total Expenses	<u>\$ 332,667</u>	<u>\$ 332,667</u>
Revenue Over/Under Expenses	<u>\$ -</u>	\$ -
Net Assets at January 1, 2019		<u>\$ -</u>
Net Assets at August 31, 2020		<u>\$ -</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

SCHEDULE OF ADMINISTRATIVE COSTS ALLOCATED

Report Period: For the Year Ended June 30, 2021

	<u>Actual</u>
REVENUE	
Allocation Payments from Programs	\$ 1,163,876
Misc Income	2,400
Adaptability Grant	5,032
Total Revenues	<u>\$ 1,171,308</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 943,322
Space Costs	35,907
Financial Audit	48,287
Communications	14,889
Office Costs	3,451
Small Equipment	9,778
Computer Service	101,818
Travel/Training	3,104
Contract Services	300
Other	3,850
Total Expenses	<u>\$ 1,164,706</u>
Revenue Over/Under Expenses	\$ 6,602
Transfer In	\$ -
Net Assets at July 1, 2020	<u>\$ (4,144)</u>
Net Assets at June 30, 2021	<u>\$ 2,458</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

HRDC CENTRAL AND ANNEX OFFICES

Report Period: July 1, 2020 to June 30, 2021

	HRDC Central Office		HRDC Annex Office	
	Budget	Actual	Budget	Actual
REVENUE				
Rental Income	\$ 110,400	\$ 110,400	\$ 37,200	\$ 37,200
Other Income	-	4,800	-	-
Total Revenue	<u>\$ 110,400</u>	<u>\$ 115,200</u>	<u>\$ 37,200</u>	<u>\$ 37,200</u>
EXPENSES				
Gas & Electric	\$ 13,000	\$ 13,933	\$ 3,600	\$ 3,448
Water, Sewer, & Garbage	2,950	3,623	720	1,192
Maintenance & Repairs	25,295	19,886	3,360	2,493
Janitorial/Grounds	15,200	16,473	7,100	2,552
Property Management/Audit	7,200	7,200	1,000	800
Insurance	3,020	2,614	1,750	2,272
Taxes	650	1,338	150	285
Interest Expense	27,790	15,883	8,806	8,880
Depreciation	42,297	42,297	16,742	16,742
Total Expenses	<u>\$ 137,402</u>	<u>123,247</u>	<u>43,228</u>	<u>38,664</u>
Revenue Over/Under Expenses	<u>\$ (27,002)</u>	\$ (8,047)	<u>\$ (6,028)</u>	\$ (1,464)
Net Assets at July 1, 2020		<u>\$ 707,625</u>		<u>(125,905)</u>
Net Assets at June 30, 2021		<u>\$ 699,578</u>		<u>\$ (127,369)</u>

See Independent Auditor's Report.

SINGLE AUDIT SECTION

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021

FEDERAL SOURCE PASS THROUGH SOURCE PROGRAM NAME	Assistance Listing No.	Grant Term	Pass Through Number	Total Dollars Awarded	Total Federal Expenditures	Awards to Subrecipients
Dept. of Housing and Urban Development						
<i>Montana Dept. of Health and Human Services</i>						
Emergency Shelter Grant 19-20	14.231	08/01/19 - 07/31/20	19-028-51007-0	\$ 76,337	\$ 1,300	\$ -
COVID-19 Emergency Solutions Grant CARES 20-21	14.231	04/01/20 - 03/31/22	20-028-19007-0	980,800	<u>380,958</u>	-
Total Emergency Shelter Grant					<u>382,258</u>	-
<i>Direct</i>						
Youth Homelessness Demonstration Grant - (TH.RRH)	14.276	10/01/20 - 09/30/22	MT0082Y8T001800	251,888	61,101	-
Youth Homelessness Demonstration Grant - (RRH)	14.276	10/01/20 - 09/30/22	MT0086Y8T001800	64,174	10,723	-
Youth Homelessness Demonstration Grant - (PSH)	14.276	10/01/20 - 09/30/22	MT0072Y8T001800	99,370	12,970	-
Youth Homelessness Demonstration Grant - (SYS NAV)	14.276	10/01/20 - 09/30/22	MT0077Y8T001800	220,010	47,206	-
Youth Homelessness Demonstration Grant - (DIVERSION)	14.276	10/01/20 - 09/30/22	MT0071Y8T001800	120,642	<u>8,476</u>	-
Total Youth Homelessness				756,084	<u>140,476</u>	-
<i>Direct</i>						
Continuum of Care - Rapid Re-Housing	14.267	07/01/20 - 06/30/21	MT0055L8T1802	106,657	<u>76,966</u>	-
Total Continuum of Care					<u>76,966</u>	-
<i>Direct</i>						
Multifamily Housing Service Coordinators	14.191	01/01/20 - 12/31/20	MFSC179734-01-04	33,727	17,198	-
Multifamily Housing Service Coordinators	14.191	01/01/21 - 12/31/21	MFSC179734-01-05	33,020	<u>13,900</u>	-
Total Multifamily Housing Service Coordinators					<u>31,098</u>	-
<i>Montana Dept. of Commerce</i>						
Home Investment Partnership Program - RTH	14.239	11/07/13 - 09/30/20	M13-SG300100-01	2,159,000	286,436	-
<i>Local Initiatives Support Corporation</i>						
Rural LISC - Health Housing HFV	14.252	07/01/19 - 09/30/20	41189-0043	15,300	4,894	-
Rural LISC	14.252	10/01/19 - 09/30/21	41189-0044	36,000	17,114	-
Rural LISC - Health Housing HFV	14.252	09/01/20 - 10/31/21	41189-0046	16,800	<u>16,534</u>	-
Total LISC					<u>38,542</u>	-
Total Department of Housing and Urban Development					<u>955,776</u>	-

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
Year Ended June 30, 2021

FEDERAL SOURCE PASS THROUGH SOURCE PROGRAM NAME	Assistance Listing No.	Grant Term	Pass Through Number	Total Dollars Awarded	Total Federal Expenditures	Awards to Subrecipients
Department of Treasury						
<i>Neighborworks Montana</i>						
Emergency Rental Assistance Program	21.023	04/01/2021 - 12/31/21		REIMB	12,919	-
Total Department of Treasury					<u>12,919</u>	<u>-</u>
Department of Labor						
<i>Montana Department of Labor</i>						
WIA/WIOA Cluster						
Workforce Innovation & Opportunity Act	17.259	07/01/20 - 06/30/21	DLISF20CONWSD_102	171,547	171,547	-
Workforce Innovation & Opportunity Act - MOD	17.259	07/01/20 - 06/30/21	DLISF20CONWSD_102_3	10,263	10,263	-
Total Department of Labor, WIA/WIOA Cluster					<u>181,810</u>	<u>-</u>
Department of Transportation						
<i>Montana Department of Transportation</i>						
Formula Grants for Other Than Urbanized Areas	20.509	07/01/20 - 06/30/21	111298	1,236,777	381,027	-
COVID-19 Formula Grants for Other Than Urbanized Areas	20.509	01/20/20 - 06/30/21		REIMB	1,712,266	-
					<u>2,093,293</u>	<u>-</u>
<i>Montana Department of Transportation</i>						
Capital Assistance Program Enhanced Mobility	20.526	4/21/21 - 6/30/21	111733	1,436,010	1,436,010	-
<i>Federal Transit Cluster</i>						
Bus and Bus Facilities Formula Program	20.526	07/01/19 - 06/30/20	111181	55,128	55,128	-
Total Federal Transit Cluster					<u>55,128</u>	<u>-</u>
Total Department of Transportation					<u>3,584,431</u>	<u>-</u>
Department of Energy						
<i>Montana Dept. of Health and Human Services</i>						
DOE Weatherization 19-20	81.042	07/01/19 - 06/30/21	20-028-30027-0	457,245	271,763	-
Total Department of Energy					<u>271,763</u>	<u>-</u>

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
Year Ended June 30, 2021

FEDERAL SOURCE PASS THROUGH SOURCE PROGRAM NAME	Assistance Listing No.	Grant Term	Pass Through Number	Total Dollars Awarded	Total Federal Expenditures	Awards to Subrecipients
Department of Health and Human Services						
<i>Rocky Mountain Development Council, Inc.</i>						
<i>Aging Cluster</i>						
TITLE III-B Homemaker Services	93.044	07/01/20 - 06/30/21	2021-004-013	52,766	52,766	-
COVID-19 TITLE III-B Homemaker Services - CARES	93.044	07/01/20 - 09/30/21	2021-004-013	4,593	4,593	-
COVID-19 TITLE III-B Homemaker Services - Park County - CARES	93.044	07/01/20 - 09/30/21	2021-004-013	1,456	1,456	-
TITLE III-B Respite / Caregiver Support	93.052	07/01/20 - 06/30/21	2021-004-013	22,298	22,298	-
TITLE III-E Respite - Park County	93.052	07/01/20 - 06/30/21	2021-004-013	19,794	19,794	-
Title III-Galavan	93.044	07/01/20 - 09/30/21	2021-004-013	21,400	21,400	-
Title III-RSVP	93.044	07/01/20 - 09/30/21	2021-004-013	2,675	2,675	-
Title III-Senior Reach	93.044	07/01/20 - 09/30/21	2021-004-013	5,000	5,000	-
Total Aging Cluster					<u>129,982</u>	<u>-</u>
State Health Insurance Assistance Program	93.324	07/01/20 - 06/30/21	2021-004-013	25,000	<u>25,000</u>	<u>-</u>
<i>Missoula Aging Services (Area XI Agency on Aging)</i>						
Senior Medicare Patrol 20-21	93.048	06/01/20 - 05/31/21	None	9,537	9,588	-
Senior Medicare Patrol 21-22	93.048	06/01/21 - 05/31/22	None	9,537	<u>563</u>	<u>-</u>
Total Senior Medicare Patrol					<u>10,151</u>	<u>-</u>
<i>Montana Dept. of Health and Human Services 477 Cluster</i>						
CSBG 20	93.569	01/01/20-08/31/21	20-028-10007-0	337,529	345,027	6,275
CSBG CARES 20	93.569	02/01/20-09/30/22	20-028-19047-0	133,550	<u>124,555</u>	<u>-</u>
Total 477 Cluster					<u>469,582</u>	<u>6,275</u>
<i>Direct</i>						
<i>Head Start</i>						
Head Start 20-21	93.600	04/01/20 - 03/31/21	08CH010871-02	1,755,056	1,358,273	-
In-Kind					123,451	-
Head Start 21-22	93.600	04/01/21 - 03/31/22	08CH010871-03	1,665,637	402,499	-
In-Kind					9,583	-
COVID-19 Head Start Cares Act	93.600	01/20/20 - 03/31/21	08CH010871-02-01	133,579	92,805	-
COVID-19 Head Start ARPA 1	93.600	12/27/20 - 3/31/23	08HE000196-01-00	45,747	45,747	-
COVID-19 Head Start ARPA 2	93.600	4/1/21 - 3/31/23	08HE000196-01-01	181,868	-	-
<i>Less In-Kind</i>					<u>(133,034)</u>	<u>-</u>
Total Head Start					<u>1,899,324</u>	<u>-</u>

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
Year Ended June 30, 2021

FEDERAL SOURCE PASS THROUGH SOURCE PROGRAM NAME	Assistance Listing No.	Grant Term	Pass Through Number	Total Dollars Awarded	Total Federal Expenditures	Awards to Subrecipients
Department of Health and Human Services, continued						
<i>Montana Dept. of Health and Human Services</i>						
LIEAP Client Education/Advocacy 19-20	93.568	10/01/19 - 09/30/21	20-028-13007-0	38,557	37,629	-
LIEAP Client Education/Advocacy 20-21	93.568	10/01/19 - 09/30/21	21-028-13007-0	31,051	367	-
LIEAP Outreach 19-20	93.568	10/01/19 - 10/01/20	20-028-13007	35,437	35,089	-
LIEAP Outreach 20-21	93.568	10/01/19 - 10/01/20	21-028-13007	31,033	910	-
LIEAP Administration 19-20	93.568	10/01/19 - 09/30/21	20-028-13007-0	77,807	70,515	-
LIEAP Administration 20-21	93.568	10/01/20 - 09/30/22	21-028-13007-0	58,749	5,086	-
COVID-19 LIEAP Administration CARES 20-21	93.568	05/01/20 - 09/30/21	20-028-19067-0	28,685	20,193	-
LIEAP Contingency Revolving Fund 19-20	93.568	11/14/19 - 09/30/20	20-028-11007-0	REIMB	47,107	-
LIEAP Contingency Revolving Fund 20-21	93.568	11/14/20 - 09/30/21	21-028-11007-0	REIMB	69,304	-
COVID-19 LIEAP CRF CARES 20-21	93.568	05/01/20 - 09/30/21	20-028-19067-0	REIMB	3,470	-
LIEAP Weatherization 20-21	93.568	07/01/19 - 08/31/20	19-028-16007-0	491,413	208,386	-
LIEAP Weatherization 20-22	93.568	07/01/19 - 08/31/21	20-028-16007-0	277,098	162,171	-
Total LIEAP					660,227	-
<i>Action Inc</i>						
Chafee Foster Care Independence	93.674	07/01/20 - 06/30/21	20123FCIP0008	109,842	109,842	-
<i>Montana Dept. of Health and Human Services</i>						
Ryan White Part B HIV Care Formula Grant	93.917	10/01/19 - 09/30/20	17-07-4-51-310-0-4	33,885	13,456	-
Ryan White Part B HIV Care Formula Grant	93.917	10/15/20 - 09/30/21	17-07-4-51-310-0-2	33,575	33,575	-
Total Ryan White					47,031	-
<i>Montana Dept. of Health and Human Services</i>						
SAMHSA Mental Health Block Grant	93.958	1/1/21 - 6/30/22	21-332-74081-0	150,000	53,885	-
<i>University of Montana</i>						
UM Innovations Grant	93.667	02/01/21 - 09/30/21	21-105-000004	80,055	44,094	-
Total Department of Health and Human Services					3,449,118	6,275
Corporation for National and Community Service						
<i>Direct</i>						
RSVP 2020-21	94.002	04/1/20 - 03/31/21	18SRPMT002	86,161	105,512	-
RSVP 2020-21 Senior Reach Augmentation	94.002	04/1/20 - 03/31/21	18SRPMT002	107,596	54,349	-
Match					13,951	-
RSVP 2021-22	94.002	04/1/21 - 03/31/22	21SRDMT002	86,161	23,694	-
RSVP 2021-22 Senior Reach Augmentation	94.002	04/1/21 - 03/31/22	21SRDMT002	107,596	12,528	-
Match					2,610	-
Less Match					(16,561)	-
Total Corporation for National and Community Service					196,083	-

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
Year Ended June 30, 2021

FEDERAL SOURCE PASS THROUGH SOURCE PROGRAM NAME	Assistance Listing No.	Grant Term	Pass Through Number	Total Dollars Awarded	Total Federal Expenditures	Awards to Subrecipients
Department of Agriculture						
<i>Montana Department of Health and Human Services</i>						
Child and Adult Care Food Program 20-21	10.558	04/01/20-03/31/21	HS 04087C	-	38,779	-
Child and Adult Care Food Program 21-22	10.558	04/01/20-03/31/21	HS 04087C	-	14,801	-
Total Child and Adult Care Food Program					<u>53,580</u>	<u>-</u>
<i>Montana Office of Public Instruction</i>						
<i>Child Nutrition Cluster</i>						
Summer Food Service Program for Children '20	10.559	10/01/19 - 09/30/20	16-6512	-	75,507	-
Summer Food Service Program for Children '21	10.559	10/01/20 - 09/30/21	16-6512	-	34,442	-
COVID-19 Summer Food Service Program for Children	10.559	03/16/20 - 09/30/20	16-6512	-	11,337	10,284
Total Summer Food Service Program for Children					<u>121,286</u>	<u>10,284</u>
<i>Montana Dept. of Health and Human Services</i>						
<i>Food Distribution Cluster</i>						
Commodity Supplemental Food Program 19-20	10.565	10/01/19 - 09/30/20	20-027-21002-0	-	53,670	-
Commodity Supplemental Food Program 20-21	10.565	10/01/20 - 09/30/21	21-027-21002-0	-	130,431	-
COVID-19 CARES Commodity Supplemental Food Program 19-20	10.565	03/01/20 - 12/30/20	20-027-21002-0	-	32,000	-
Total Food Distribution Cluster					<u>216,101</u>	<u>-</u>
<i>Local Initiatives Support Corporation</i>						
RURAL LISC - Bridges to Career Opportunities	14.252	01/01/20 - 12/31/20	41189-0045	30,000	27,624	-
Total Department of Agriculture					<u>418,591</u>	<u>10,284</u>
TOTAL FEDERAL AWARDS EXPENDED					<u>\$ 9,070,491</u>	<u>\$ 16,559</u>
LOAN AND LOAN GUARANTEES				Principal Repayment	Amount Owed June 30, 2021	
<i>Direct Loan Guaranteed by the U.S. Department of Housing</i>	14.181			\$ -	\$ 438,100	

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes federal award activity of HRDC under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a select portion of the operations of HRDC, it is not intended to, and does not present, the financial position, changes in net assets, or cash flows of HRDC.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

The Schedule has been prepared on the accrual basis of accounting, which is the method of accounting used for the consolidated financial statements. Such expenditures are recognized following Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule present adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years and match amounts paid.

NOTE 3. INDIRECT COST RATE

HRDC has elected not to use the optional 10-percent de minimis indirect cost rate allowed by Uniform Guidance.

NOTE 4. MATCHING

In accordance with the terms of the grants, HRDC has expended matching contributions during the year ended June 30, 2021 for the following programs:

Department of Health and Human Services:	
Head Start	<u>\$ 133,034</u>
Retired and Senior Volunteer Program	<u>\$ 16,561</u>

NOTE 5. LOAN AND LOAN GUARANTEES

HRDC has one direct loan guaranteed by the U.S. Department of Housing, Assistance Listing No. 14.181, with a balance of \$438,100 at June 30, 2021.

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

To the Board of Directors of
Human Resource Development Council of District IX, Inc.
Bozeman, Montana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America, the consolidated financial statements of Human Resource Development Council of District IX, Inc. (HRDC) which comprise the consolidated statements of financial position as of June 30, 2021, and the related consolidated statements of activities, and consolidated cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated April 22, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered HRDC's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of HRDC's internal control. Accordingly, we do not express an opinion on the effectiveness of HRDC's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Anderson Zurmuehlen & Co., P.C.

Bozeman, Montana

April 22, 2022

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

To the Board of Directors of
Human Resource Development Council of District IX, Inc.
Bozeman, Montana

Report on Compliance for Each Major Federal Program

We have audited Human Resource Development Council of District IX, Inc.'s (HRDC) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of HRDC's major federal programs for the year ended June 30, 2021. The HRDC's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of HRDC's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about HRDC's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of HRDC's compliance.

Opinion on Each Major Federal Programs

In our opinion, HRDC complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of HRDC is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered HRDC's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on the internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of HRDC's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this report and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



Bozeman, Montana

April 22, 2022

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2021

SECTION I – SUMMARY OF AUDIT RESULTS

Financial Statements:

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards:

Internal Control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported

Type of auditor's report issued on compliance for major programs:	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	No
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Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing Number</u>
DPHHS Head Start	93.600
Formula Grants for Rural Areas	20.509
Capital Assistance Program Enhanced Mobility	20.526

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
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Auditee qualified as low-risk auditee?	Yes
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SECTION II – FINANCIAL STATEMENT FINDINGS

The audit report for the year ended June 30, 2021, reported no findings.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

The audit report for the year ended June 30, 2021, reported no findings.

SECTION IV – STATUS OF CORRECTIVE ACTION ON PRIOR FINDINGS

The audit report for the year ended June 30, 2020, reported no findings.