

Human Resource Development Council of District IX, Inc.

Bozeman, Montana

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY
INFORMATION WITH INDEPENDENT AUDITORS' REPORT

June 30, 2022 and 2021



K C O E
I S O M

Human Resource Development Council of District IX, Inc.

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Human Resource Development Council of District IX, Inc. (HRDC) (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, 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.

In our opinion, the 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, 2022 and 2021, 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.

Basis for Opinion

We conducted our audit 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of HRDC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about HRDC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of HRDC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about HRDC's ability to continue as a going concern for a reasonable period of time.

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

Report on Supplementary Information

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 53 through 65 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, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for the purposes of additional analysis 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. Additionally, other supplemental information on pages 66 through 127, marked as "unaudited," which is the responsibility of management, 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 this information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2023, 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 HRDC's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Human Resource Development Council of District IX, Inc. internal control over financial reporting and compliance.

KCoe Jam, LLP

March 17, 2023
Bozeman, Montana



Management Discussion & Analysis

The prior fiscal year has been one of exciting changes and accomplishments for HRDC. HRDC has worked tirelessly to support our community members, who have continued to be impacted by the high cost of living communities we serve which has only been compounded by inflation. Core to HRDC's fundamental purpose is to support families and individuals with their economic security, their ability to put food on their tables, to safely get to work, to keep their homes warm and ensure their children and grandparents are cared for. HRDC's comprehensive approach to addressing the causes and consequences of poverty, the social determinants of health, and the complex challenges many families face in trying to keep this place their home, is to ensure that the families that live and work here have access to all the available tools and support needed to provide financial stability in these uncertain times. To this effect, HRDC has undertaken some critical community investments and impacts.

Most notably, HRDC was incredibly excited to break ground on our new Community Commons development. HRDC embarks on this incredible adventure of co-location of services in spaces which are intentionally designed to meet the food and shelter needs of our valley for the next thirty years. Our fundraising success in initial capital campaign efforts allowed us to break ground on the Marketplace, a central location where services and resources are shared, which will be the future home of not only the services currently offered by our Gallatin Valley Food Bank, but will include the relocation of our Fork and Spoon restaurant. Marketplace will also incorporate direct customer service offices that will provide access to additional housing, energy, transportation, and other education and economic support.

The spring of 2022 marked the first time that our Bozeman community was able to provide overnight shelter to persons and families experiencing homelessness throughout the year. This increase in services could not come at a more critical time as homelessness and urban camping have become more pronounced in our community. The utilization of our Warming Center Space and Wheat Suites hotel, and partnerships with other providers, has allowed our community to respond to the 47% increase in homelessness in our community since the onset of the pandemic.

The hotel rooms also played a critical role in temporarily relocating the tenants of the four properties we were able to successfully renovate while preserving their affordability for another 45 years. This renovation saved the Boulevard Apartments, an icon and the only affordable housing in the downtown district, dedicated to keeping a space for our seniors and persons with disabilities as part of our downtown core. It also provided a necessary system and surface renovation for the Darlington Manor Apartments, Sherwood Inn Apartments and Mile Building Apartments, preserving 236 affordable homes for seniors and persons with disabilities across the Bozeman and Livingston communities.

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 2021-22.



In addition to our 2021-22 ongoing core operations, HRDC's Consolidated Statement of Activities for the fiscal year ended June 30, 2022 includes the following nonrecurring activity:

- Nonrecurring sales of 2 affordable housing units totaling \$398,227;
- Nonrecurring additional gain on sale of buildings from withheld property reserves in the amount of \$608,622;
- pledged contributions restricted for future capital projects of \$509,857;
- nonrecurring federal and state grants of \$2,009,617 to assist with our community response to the COVID-19 Pandemic;
- Divested the land and loans receivable of the Meadowview Condominiums to the Big Sky Community Housing Trust, valued at \$2,350,996.

The prior fiscal year 2020-21 also included nonrecurring activities, primarily:

- 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 to support workforce housing development in Bozeman and Big Sky, required renovations to our interim shelter facility and for the purchase of buses to support our Streamline and Galavan services.
- nonrecurring federal and state grants of \$2,752,000 to assist with our community response to the COVID-19 Pandemic.

Excluding these nonrecurring activities, HRDC had ongoing revenues from our core operations of \$18.8 million and corresponding expenses of \$17.8 million in fiscal year 2021-2022, compared with ongoing core revenues of \$21.5 million and expenses of \$19.5 million in the prior fiscal year 2020-21.

The revenues reported in HRDC's Consolidated Statement of Activities also include \$2.9 million in non-cash contributions of food received from donors in fiscal year 2021-22, 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 \$1.79 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 \$15.9 million and adjusted ongoing core expenses would be \$14.9 million for fiscal year 2021-22.



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 pages 54-127.

As we look to 2023, we are preparing for some challenging times ahead. HRDC was able to serve as a conduit for millions of COVID based funding over the last several years to support the negative economic impacts of the pandemic on our community. While these funding sources are sunsetting, the economic crisis and its impact on our community is only growing in significance. At the same time increased labor costs and reduced investments from our state and federal governments, make service provision more expensive than ever. While we do not know precisely what the future holds, we are certain that HRDC will adapt to ensure that we will continue to be here for everyone, our seniors, our children, our hardworking 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 our work to build a better community.



CONSOLIDATED FINANCIAL SECTION

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and cash equivalents	\$ 5,651,066	\$ 8,232,671
Escrow and building reserve	430,788	408,630
Cash restricted for capital campaign	12,443,064	2,064,390
Receivables (Note 3)		
Grants	1,955,057	2,196,781
Accounts receivable, net	1,873,031	1,771,908
Pledges receivable, net	1,953,210	1,787,414
Prepaid expenses	233,343	276,010
Investments (Note 4)	1,345,209	1,549,212
Inventory - supplies and food bank	267,082	313,998
Inventory - condominiums, federal constraints	323,076	406,527
Inventory - condominiums	225,000	84,136
Deferred loans receivable, net (Note 3)	5,432,044	6,109,024
Construction in progress (Note 6)	4,376,581	2,621,890
Construction in progress, federal constraints (Note 6)	-	323,057
Property and equipment, net, federal constraints (Note 6)	7,176,219	7,722,764
Property and equipment, net (Note 6)	<u>12,726,536</u>	<u>12,869,562</u>
Total assets	<u>\$ 56,411,306</u>	<u>\$ 48,737,974</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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
LIABILITIES		
Accounts payable	\$ 1,218,277	\$ 1,537,569
Accrued liabilities	798,639	438,428
Accrued vacation, sick, and paid time off	301,405	270,134
Accrued interest payable	26,321	23,159
Deposits payable	150,051	272,482
Unearned revenue (Note 7)	53,142	5,000
Notes payable (Note 8)	<u>16,063,089</u>	<u>10,700,073</u>
Total liabilities	<u>18,610,924</u>	<u>13,246,845</u>
NET ASSETS		
Without donor restrictions		
Undesignated	21,371,660	22,186,110
Federal-constrained inventory and capital assets	<u>7,499,295</u>	<u>8,452,348</u>
Total net assets without donor restrictions	28,870,955	30,638,458
With donor restrictions		
Purpose or time restrictions	8,710,299	4,643,543
Perpetual in nature (endowment)	<u>219,128</u>	<u>209,128</u>
Total net assets with donor restrictions	<u>8,929,427</u>	<u>4,852,671</u>
Total net assets	<u>37,800,382</u>	<u>35,491,129</u>
Total liabilities and net assets	<u>\$ 56,411,306</u>	<u>\$ 48,737,974</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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES		
Contract revenue	\$ 998,156	\$ 1,487,198
Developers' fee	220,753	218,500
Revenue from partnership	248,923	-
Rental income	1,193,912	2,148,133
City/County/Local Government support	1,609,229	2,167,434
Net loss on sale of manufactured homes and housing units	(451,547)	(2,407,701)
Contributions of cash and other financial assets:		
Grants:		
Federal	7,744,318	9,016,985
State	770,084	909,834
Private	519,881	584,830
Pledged contributions	509,857	399,807
Contributions and fundraising	3,786,790	4,043,084
Nonfinancial asset contributions (food and services)	2,867,920	3,324,997
Net investment (loss) income	(190,269)	146,007
Gain on sale of property	272,208	599,884
Gain on sale of buildings	103,528	4,883,927
Other	511,363	317,494
Net assets released from program restrictions	<u>207,419</u>	<u>1,634,545</u>
Total revenues	<u>20,922,525</u>	<u>29,474,958</u>
EXPENSES		
Program services:		
Energy	1,035,907	1,080,433
Food and nutrition	4,731,717	5,116,125
Senior programs	455,034	500,508
Community development	3,925,419	4,182,818
Economic development	897,520	430,702
Housing	4,061,236	4,274,038
Early childhood education	1,990,489	2,072,768
Transportation	<u>2,965,001</u>	<u>2,581,195</u>
Total program services	<u>20,062,323</u>	<u>20,238,587</u>
Supporting services:		
Administration	1,604,257	1,361,001
Fundraising	<u>523,448</u>	<u>664,756</u>
Total supporting services	<u>2,127,705</u>	<u>2,025,757</u>
Total expenses	<u>22,190,028</u>	<u>22,264,344</u>
Change in net assets without donor restrictions	<u>(1,267,503)</u>	<u>7,210,614</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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
NET ASSETS WITH DONOR RESTRICTIONS		
Purpose-or-time restricted contributions	4,274,175	1,525,111
Perpetually-restricted contributions	10,000	39,774
Net assets released from restrictions	<u>(207,419)</u>	<u>(1,634,545)</u>
Change in net assets with donor restrictions	<u>4,076,756</u>	<u>(69,660)</u>
Total change in net assets	2,809,253	7,140,954
Net assets, beginning of year	35,491,129	28,697,332
Capital contribution	-	3,798
Investment in partnership interest	<u>(500,000)</u>	<u>(350,955)</u>
Net assets, end of year	<u>\$ 37,800,382</u>	<u>\$ 35,491,129</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, 2022

	Program							Supporting		Total 2022	
	Energy	Food & Nutrition	Senior Programs	Community Development	Economic Development	Housing	Early Childhood Education	Transportation	Administration		Fundraising
Program Expenses:											
Salaries	\$ 439,237	\$ 869,844	\$ 317,328	\$ 433,375	\$ 372,161	\$ 1,557,767	\$ 1,110,831	\$ 468,587	\$ 957,735	\$ 242,231	\$ 6,769,096
Payroll taxes and benefits	112,191	232,842	89,310	126,246	105,959	340,255	349,701	138,183	277,657	56,942	1,829,286
Bad debt expense	-	-	-	558	-	38,837	-	-	-	-	39,395
Client assistance	266,331	870	-	32,298	332,350	502,650	9,172	16,708	-	6,164	1,166,543
Closing costs and housing fees	-	520	-	30,736	-	-	-	-	-	-	31,256
Contract services	79,090	7,302	233	394,018	1,784	91,818	118,674	723,529	61,667	60,772	1,538,887
Depreciation and amortization	10,296	52,683	1,310	36,649	6,351	486,265	88,581	536,795	14,484	3,564	1,236,978
Food	-	3,272,625	-	-	-	-	59,093	-	600	56	3,332,374
Fundraising	-	16,209	2,820	-	66	2,891	-	148	145	18,467	40,746
In-kind donations	-	-	-	2,350,996	-	-	-	-	-	-	2,350,996
Insurance	15,235	34,662	6,067	33,983	4,659	47,500	21,509	211,393	5,442	4,572	385,022
Interest	-	8,211	-	73,493	-	195,326	24,260	-	23,707	-	324,997
Legal and audit	-	1,879	-	218,468	-	6,680	428	-	58,640	-	286,095
Loans forgiven	-	-	-	46,303	-	-	-	-	-	-	46,303
Office costs	8,158	19,205	2,874	9,512	4,594	38,759	25,493	30,845	212,503	30,337	382,280
Other	126	13,751	5,578	75,141	378	5,777	2,106	1,304	5,673	6,224	116,058
Outreach and marketing	3,339	4,315	-	1,011	-	775	2,034	66,872	10,423	16,083	104,852
Repairs and maintenance	5,984	13,402	-	5,567	-	80,604	14,652	162,340	6,709	-	289,258
Space and occupancy costs	31,195	122,571	23,619	20,976	26,814	444,344	106,396	92,115	(42,747)	15,782	841,065
Special projects	-	-	-	-	-	-	-	216,957	-	-	216,957
Subgrants	-	-	-	17,234	-	-	-	-	-	-	17,234
Supplies	48,840	33,720	1,906	7,554	17,031	135,617	35,231	64,879	126	48,762	393,666
Trainee wages and benefits	-	-	-	-	12,624	-	-	-	-	-	12,624
Training	1,330	6,145	69	9,665	4,387	6,943	18,015	1,320	10,460	1,430	59,764
Travel and transportation	14,555	20,961	3,920	1,636	8,362	78,428	4,313	233,026	1,033	12,062	378,296
Total expenses	\$ 1,035,907	\$ 4,731,717	\$ 455,034	\$ 3,925,419	\$ 897,520	\$ 4,061,236	\$ 1,990,489	\$ 2,965,001	\$ 1,604,257	\$ 523,448	\$ 22,190,028
Percentage of total	4.7%	21.3%	2.1%	17.7%	4.0%	18.3%	9.0%	13.4%	7.2%	2.4%	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, 2021

	Program							Supporting		Total 2021	
	Energy	Food & Nutrition	Senior Programs	Community Development	Economic Development	Housing	Early Childhood Education	Transportation	Administration		Fundraising
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)
Contract services	126,195	34,394	26,495	117,056	-	145,711	133,671	832,796	74,947	238,665	1,729,930
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	\$ 4,182,818	\$ 430,702	\$ 4,274,038	\$ 2,072,768	\$ 2,581,195	\$ 1,361,001	\$ 664,756	\$ 22,264,344
Percentage of total	4.9%	23.0%	2.2%	18.8%	1.9%	19.2%	9.3%	11.6%	6.1%	3.0%	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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from grantors	\$ 9,324,149	\$ 10,317,337
Cash received from contracts	939,700	1,029,192
Cash received from rentals	1,071,481	2,119,925
Cash received from City/County/Local Government	1,609,229	2,167,434
Cash received from sale of housing units	398,227	12,484,932
Cash received from contributions	8,415,026	5,495,465
Cash received from interest and dividends	70,077	(152,060)
Cash received from other activities	135,627	317,494
Cash paid to employees	(8,439,831)	(7,713,928)
Cash paid to suppliers	(5,288,433)	(16,038,200)
Cash paid for direct assistance to clients	(1,166,543)	(980,947)
Cash paid received for other operational expenses	(198,586)	(62,212)
Cash paid for fundraising activities	(40,746)	(50,587)
Interest paid	<u>(417,614)</u>	<u>(804,255)</u>
Net cash flows from operating activities	<u>6,411,763</u>	<u>8,129,590</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of capital assets	(4,661,228)	(2,090,291)
Proceeds from sales of assets	375,736	8,489,952
Cash paid for investment in partnership	-	(129,382)
Investment purchases	-	(47,000)
Proceeds from sales of investments	13,734	-
Principal loan receivable payments received	909,206	360,423
Principal loan receivable advances	<u>(500,000)</u>	<u>(886,252)</u>
Net cash flows from investing activities	<u>(3,862,552)</u>	<u>5,697,450</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital distributions paid	(500,000)	-
Proceeds from long-term debt	6,744,376	-
Principal payments on long-term debt	<u>(974,360)</u>	<u>(7,872,909)</u>
Net cash flows from financing activities	<u>5,270,016</u>	<u>(7,872,909)</u>
Net change in cash and cash equivalents	7,819,227	5,954,131
Cash and cash equivalents, beginning of year	<u>10,705,691</u>	<u>4,751,560</u>
Cash and cash equivalents, end of year	<u>\$ 18,524,918</u>	<u>\$ 10,705,691</u>
Reconciliation to Consolidated Statements of Financial Position		
Cash and cash equivalents	\$ 5,651,066	\$ 8,232,671
Escrow and building reserve	430,788	408,630
Cash restricted for capital campaign	<u>12,443,064</u>	<u>2,064,390</u>
	<u>\$ 18,524,918</u>	<u>\$ 10,705,691</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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 2,809,253	\$ 7,140,954
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation and amortization	1,236,978	1,105,065
Donation of land	2,000,000	-
Bad debt, allowances, and loans forgiven	491,243	134,764
Forgiveness of PPP Loan	(407,000)	-
Net investment loss (income)	190,269	(298,067)
Gain on sale of property and equipment	(272,208)	(599,884)
Gain on sale of buildings, net	(103,528)	(4,883,927)
Proceeds from sale of housing units and condominiums, net	398,227	5,397,088
Change in operating assets and liabilities:		
Inventory	273,463	58,352
Grants receivable	241,724	(151,595)
Accounts receivable, net	(101,123)	(600,972)
Pledges receivable, net	(165,796)	1,109,907
Prepaid expenses	42,667	(75,534)
Accounts payable	(319,292)	(204,810)
Accrued liabilities	171,175	69,174
Deposits payable	(122,431)	(28,208)
Unearned revenue	48,142	(42,717)
Net cash flows from operating activities	<u>\$ 6,411,763</u>	<u>\$ 8,129,590</u>
SUPPLEMENTAL SCHEDULE OF NON-CASH OPERATING ACTIVITIES		
Contributions of food	<u>\$ 2,867,920</u>	<u>\$ 3,272,896</u>
SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING ACTIVITIES		
Fixed assets and inventory purchased or constructed with debt	<u>\$ -</u>	<u>\$ 7,883,907</u>
In-kind donation of land and receivables	<u>\$ 2,350,996</u>	<u>\$ 3,035,890</u>
Fixed asset disposals	<u>\$ -</u>	<u>\$ 8,116,935</u>
Vehicles purchased with grant funds	<u>\$ -</u>	<u>\$ 1,491,000</u>
Acquisition of partnership interest, net	<u>\$ -</u>	<u>\$ 1,777,780</u>
SUPPLEMENTAL SCHEDULE OF NON-CASH FINANCING ACTIVITIES		
Forgiveness of PPP Loan	<u>\$ 407,000</u>	<u>\$ -</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid (net of capitalized interest of \$95,779 and \$346,580 respectively)	<u>\$ 417,614</u>	<u>\$ 457,675</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, 2022 and 2021

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., Darlington Apartments, Inc., Miles Limited Partnership, Darlington Manor HP/HRDC Limited Partnership, and HRDC Griffin Place Holding Co. All significant inter-company transactions and balances have been eliminated. Subsidiary elimination worksheets are included as supplemental schedules on pages 54 to 57.

Organization

Human Resource Development Council of District IX, Inc. (HRDC) is a private not-for-profit corporation under Internal Revenue Code Section (IRC) 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, Livingston Cottages, and Housing First Village 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 58 to 61.

The Home Corporation is a private not-for-profit title holding company under IRC 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 IRC. 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.

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 nonprofit managing general partner of the Miles Limited Partnership.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022 and 2021

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

Organization (Continued)

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% 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 IRC. 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 Nonprofit 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 IRC. 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.

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.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022 and 2021

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

Organization (Continued)

The Summit Apartments, Inc. is defined as a 501(c)(3) Supporting Organization under the IRC. 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.

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. Accounts receivable and related partnership revenue from HRDC IX Affordable Housing Solutions LP amounted to \$237,306 as of and for the year ended June 30, 2022.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022 and 2021

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

Organization (Continued)

On March 16, 2022, HRDC closed on a New Market Tax Credit enhanced financing package that allows 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.

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).

Adoption of New Accounting Policy

During the year ended June 30, 2022, HRDC adopted the provisions of Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU No. 2020-07 requires that a not-for-profit organization present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. Additionally, the standard requires that the not-for-profit organization disclose contributed nonfinancial assets recognized within the statement of activities, disaggregated by category that depicts the type of nonfinancial asset, include a description of the valuation techniques and inputs used to arrive at a fair value measure, and include a description of whether the contributions were monetized or utilized. The standard was applied on a retrospective basis and the financial statements, as of and for the year ended June 30, 2021, have been updated to reflect this change.

Restatements

For the year ended June 30, 2021, HRDC released from restriction \$1,274,074 in capital campaign funds for the Griffin Site Development project. During the year ended June 30, 2022, the scope of the project changed and those funds originally released from restricted were re-restricted and unrestricted funds were instead used as management deemed it more appropriate. As a result, the amount presented in net assets with donor restrictions and net assets without donor restrictions were restated as of June 30, 2021. The accompanying financial statements reflect the correction as of the earliest period presented. Additionally, HRDC elected to change its presentation of the sale of housing inventory to net the related cost of goods sold, as well as report the sale of housing properties net of related costs. The restatements had no effect on the total change in net assets for the prior period.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022 and 2021

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

Restatements (Continued)

The following schedule reflects the changes to the financial statement presentation as of and for the year ended June 30, 2021.

	As originally stated 06/30/2021	Restatement/ Reclassification	As restated 06/30/2021
Statement of Net Position:			
<i>Correction of error:</i>			
Undesignated net assets without donor restrictions	\$ 23,460,184	\$ (1,274,074)	\$ 22,186,110
Total net assets without donor restrictions	31,912,532	(1,274,074)	30,638,458
Net assets with purpose or time donor restrictions	3,369,469	1,274,074	4,643,543
Total net assets with donor restrictions	3,578,597	1,274,074	4,852,671
Statement of Activities:			
<i>Correction of error:</i>			
Contributions and fundraising	\$ 5,369,259	\$ (1,326,175)	\$ 4,043,084
Change in net assets without donor restrictions	8,484,688	(1,274,074)	7,210,614
Purpose or time restricted contributions	251,037	1,274,074	1,525,111
Change in net assets with donor restrictions	(1,343,734)	1,274,074	(69,660)
<i>Presentation reclassification:</i>			
Gain (loss) on sale of housing units	12,529,847	(14,937,548)	(2,407,701)
Cost of goods sold	14,937,548	(14,937,548)	-
Gain on sale of buildings	12,016,687	(7,132,760)	4,883,927
Closing costs on building sales	7,132,760	(7,132,760)	-

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.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022 and 2021

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

Cash and Cash Equivalents (Continued)

At June 30, 2022 and 2021, 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.

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 no allowance for uncollectible amounts is necessary as of June 30, 2022 and 2021.

Conditional promises to give are recognized when the conditions on which they depend are substantially met. At June 30, 2022 and 2021, there were no conditional promises to give.

HRDC has an additional \$4,799,085 and \$3,621,623 in unearned grant commitments as of June 30, 2022 and 2021, respectively.

Inventories

Inventories include 3 unsold condominium units, which are carried at the lower of cost or net realizable value amounting to \$323,076 for the years ended June 30, 2022 and 2021. 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, 2022 and 2021, 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.

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 affordable townhomes were carried at the lower of cost or net realizable value amounting to \$83,451 at June 30, 2021. The last of the 24 townhouse units was sold on July 21, 2021.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022 and 2021

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

Inventories (Continued)

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. All but one of the units had sold during the year ended June 30, 2021. The one remaining affordable unit was carried at the lower of cost or net realizable value amounting to \$84,136 at June 30, 2021. The last of the 52 condominium units was sold on July 22, 2021.

Supplies and food bank inventories contain repair parts used in the weatherization program (\$7,179 and \$2,876 on June 30, 2022 and 2021, respectively) and the food inventory at the Gallatin Valley Food Bank, Big Sky Community Food Bank and Headwaters Area Food Bank (\$259,903 and \$311,122 on June 30, 2022 and 2021, 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, 2022 and 2021 was \$1,236,978 and \$1,105,065, 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, 2022 and 2021, the Vacation Leave/PTO Fund had a liability balance of \$288,186 and \$252,188, respectively.

HRDC pays terminating employees one quarter of the value of their unused sick leave. On June 30, 2022 and 2021, the liability for one quarter unused sick leave was \$13,220 and \$17,946 including related payroll taxes. The other three quarters of sick leave expenses are recorded when paid.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2022 and 2021

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

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, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Griffin Site Development	\$ 6,895,417	\$ 2,710,637
Galavan Transportation operations	1,095,946	1,210,245
Big Sky Community Food Bank	258,848	258,848
Road to Home homeownership center	293,087	253,087
Healthy Kids Pack Food program	78,871	78,871
Outcomes for Coordinated Entry	29,499	-
Title 3 Home Care	22,569	37,431
Rural Housing Home Rehabilitation	19,898	-
Sunset Park Hope Relocation	8,809	8,809
Fork and Spoon	7,355	10,568
Partnership for Permanent Supportive Housing	-	43,085
LISC Citi Bridges	-	26,917
School Food Pantry	-	5,045
Total purpose-or-time restricted	<u>\$ 8,710,299</u>	<u>\$ 4,643,543</u>

A summary of net assets perpetual in nature at June 30, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Warming Center	\$ 76,302	\$ 76,302
Gallatin Valley Food Bank	76,301	76,301
Greatest Needs of HRDC	18,411	18,411
Capital Campaign	<u>48,114</u>	<u>38,114</u>
Total perpetually-restricted (endowment)	<u>\$ 219,128</u>	<u>\$ 209,128</u>

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022 and 2021

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

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, 2022 and 2021, are recognized monthly over the contract period. This revenue includes property management income and public transportation contracted services. Accounts receivable as of June 30, 2022, June 30, 2021 and July 1, 2020 amounted to \$1,873,031, \$1,771,908 and \$1,170,936, respectively.

Nonfinancial Asset Contributions

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 and utilized by HRDC that are included in the consolidated financial statements for the years ended June 30, 2022 and 2021, total \$79,181 and \$52,101, respectively. Donated food is recorded in the financial statements as contributions and as an expense at the estimated average fair value of one pound of donated food product at a price of \$1.79 and \$1.74 for the years ended June 30, 2022 and 2021, respectively, based on the most recent available audited financial statements of Feeding America at the time of donation. The price per pound is determined based on studies performed by Feeding America. Food donated to and utilized by HRDC amounted to \$2,788,739 and \$3,272,896 for the years ended June 30, 2022 and 2021, 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 \$104,852 and \$113,549 for the years ended June 30, 2022 and 2021, respectively.

Income Taxes

HRDC is exempt from income taxes under Section 501(c)(3) of the IRC. 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 2022 or 2021.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022 and 2021

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

Reclassifications

Certain reclassifications have been made to the June 30, 2021 financial statements to conform to the June 30, 2022 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.

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.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022 and 2021

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

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

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 Paratransit 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 of 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, 2022 and 2021

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, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 5,651,066	\$ 8,232,671
Escrow and building reserve	430,788	408,630
Cash restricted for capital campaign	12,443,064	2,064,390
Receivables	5,781,298	5,756,103
Prepaid expenses	233,343	276,010
Investments	1,345,209	1,549,212
Inventories	815,158	804,661
Deferred loans receivable, net	5,432,044	6,109,024
Construction in progress	4,376,581	2,944,947
Property and equipment, net	<u>19,902,755</u>	<u>20,592,326</u>
Total assets	<u>56,411,306</u>	<u>48,737,974</u>
Escrow and building reserve	(430,788)	(408,630)
Receivables (grants)	(1,955,057)	(2,196,781)
Receivables (pledges)	(1,953,210)	(1,787,414)
Prepaid expenses	(233,343)	(276,010)
Inventories	(815,158)	(804,661)
Deferred loans receivable, net	(5,432,044)	(6,109,024)
Construction in progress	(4,376,581)	(2,944,947)
Property and equipment, net	<u>(19,902,755)</u>	<u>(20,592,326)</u>
Financial assets	21,312,370	13,618,181
Donor-restricted net assets	(2,034,010)	(2,142,034)
Cash committed to HRDC projects	<u>(12,443,064)</u>	<u>(2,267,448)</u>
Financial assets available within 1 year	<u>\$ 6,835,296</u>	<u>\$ 9,208,699</u>

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.

Escrows and building reserves and grants receivable are excluded from financial assets available for general expenditure 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 72 and 73 in the supplemental information.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2022 and 2021

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 \$10,835 and \$5,114 as of June 30, 2022 and 2021, respectively.

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

	<u>2022</u>	<u>2021</u>
Receivable in one year or less	\$ 1,324,105	\$ 1,236,242
Receivable in one to five years	<u>741,002</u>	<u>640,142</u>
	2,065,107	1,876,384
Less: discount	<u>(111,897)</u>	<u>(88,970)</u>
Net unconditional promises to give	<u>\$ 1,953,210</u>	<u>\$ 1,787,414</u>

The rates used for the pledge discounts range from 0.7835% - 0.9524%.

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, 2022 and 2021

NOTE 3. RECEIVABLES (CONTINUED)

Deferred Loans Receivable (Continued)

The following table presents deferred loans receivable from related parties at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</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 reserves are funded.	
Collateral	Secured by revenues of West Jefferson Partners, LLLP	
HRDC IX (Boulevard Apts) Seller Note	\$ 905,805	\$ 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 LP	
Darlinton Manor HP/HRDC LP Seller Note	\$ 121,000	\$ 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 LP	
Miles Limited Partnership Seller Note	\$ 1,416,514	\$ 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 LP	
Sherwood Inn Apts Inc. Seller Note	\$ 282,850	\$ 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 LP	

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022 and 2021

NOTE 3. RECEIVABLES (CONTINUED)

Deferred Loans Receivable (Continued)

The following table presents deferred loans receivable from related parties at June 30, 2022 and 2021 (continued):

	<u>2022</u>	<u>2021</u>	
HRDCIX AP, LLC City of Bozeman Loan	\$ 500,000	\$ 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>\$ 4,058,169</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, 2022, HRDC had 24 outstanding down payment assistance loans totaling \$386,427, offset by a provision for loan losses of \$105,699. 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, 2022 and 2021, HRDC had 43 small housing assistance loans to clients totaling \$22,556 and \$23,071, 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, 2022, there were 36 second mortgage loans outstanding in the amount of \$967,503, offset by a provision for loan losses of \$97,000. 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. 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, 2022 and 2021

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. Now completed, the development project consists 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 were 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, 2022, the 24 townhome units had been completed and all 24 townhome sales have been closed. 19 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, 2022 and 2021, there were 19 and 18 loans outstanding in the total amount of \$200,088 and \$193,448, respectively.

HRDC Meadowview Condominiums development in Big Sky was an initiative to increase homeownership among low-to-moderate income households participating in the local Big Sky workforce. The development project consisted of 52 condominium units. Upon completion in December 2021, HRDC divested ownership and equity to Big Sky Community Housing Trust. As of June 30, 2022, HRDC no longer has any ownership interest in the Meadowview Condominiums.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022 and 2021

NOTE 3. RECEIVABLES (CONTINUED)

Deferred Loans Receivable (Continued)

A summary of loans receivable and their related allowances at June 30, 2022 and 2021, is as follows:

	Loan Receivable 2022	Allowance for Doubtful Accounts 2022	Loan Receivable 2021	Allowance for Doubtful Accounts 2021
Affordable Housing - Clients				
Road to Home down-payment assistance	\$ 386,427	\$ 105,699	\$ 441,428	\$ 105,699
West Edge condo loans	967,503	97,000	1,129,857	87,000
Rental housing assistance loans	22,556	-	23,071	-
Big Sky Meadowview condo loans	-	-	455,750	-
Willow Spring condo loans	200,088	-	193,448	-
Intercompany Loans				
West Babcock Apartments	155,906	-	161,192	-
Miles LP	-	-	500,000	-
Livingston Land Trust	173,790	-	173,790	-
Menicucci Square	550,584	-	550,584	-
Willow Springs condo loans	750,088	-	-	-
Griffin Holding Corp	10,484,950	-	-	-
HRDC	1,814,688	-	771,964	-
Affordable Housing - Related Party				
West Jefferson Partners, LLLP	832,000	-	832,000	-
Montana Perennial LLLP	500,000	-	500,000	-
HRDC IX Affordable Housing Solutions, LP	<u>2,726,169</u>	-	<u>2,726,169</u>	-
Total	19,564,749	<u>\$ 202,699</u>	8,459,253	<u>\$ 192,699</u>
Intercompany elimination	(13,930,006)		(2,157,530)	
Less: allowance	<u>(202,699)</u>		<u>(192,699)</u>	
Deferred loans receivable, net	<u>\$ 5,432,044</u>		<u>\$ 6,109,024</u>	

An analysis of credit exposure by internally assigned grade at June 30, 2022 and 2021, is as follows:

	Residential		Related Party Commercial	
	2022	2021	2022	2021
Pass - performing loans	\$ 1,576,574	\$ 2,243,554	\$ 4,058,169	\$ 4,058,169
Pass with collateral deficiencies	-	-	-	-
Non-performing, collateralized	-	-	-	-
Non-performing, collateral deficiencies	-	-	-	-
Total	<u>\$ 1,576,574</u>	<u>\$ 2,243,554</u>	<u>\$ 4,058,169</u>	<u>\$ 4,058,169</u>

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022 and 2021

NOTE 3. RECEIVABLES (CONTINUED)

Deferred Loans Receivable (Continued)

An analysis of past due financing receivables as of June 30, 2022 and 2021, is as follows:

	Residential		Related Party Commercial	
	2022	2021	2022	2021
30 - 59 days past due	\$ -	\$ -	\$ -	\$ -
60 - 89 days past due	-	-	-	-
Greater than 90 days past due	-	-	-	-
Total past due	-	-	-	-
Current financing receivables	<u>1,576,574</u>	<u>2,243,554</u>	<u>4,058,169</u>	<u>4,058,169</u>
Total financing receivables	<u>\$ 1,576,574</u>	<u>\$ 2,243,554</u>	<u>\$ 4,058,169</u>	<u>\$ 4,058,169</u>

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, 2022 and 2021, 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, 2022 and 2021, HRDC did not have any impaired loans.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022 and 2021

NOTE 4. INVESTMENTS

Investments carried at fair value, as of June 30, 2022 and 2021, are as follows:

	2022		
	Amortized Cost	Fair Value	Net Unrealized (Loss) Gain
Cash held for investment	\$ 24,543	\$ 24,543	\$ -
Equity securities:			
Mutual funds	909,577	865,477	(44,100)
Equities	211,319	224,485	13,166
Fixed Income - Other	<u>251,817</u>	<u>230,704</u>	<u>(21,113)</u>
Total investments	<u>\$ 1,397,256</u>	<u>\$ 1,345,209</u>	<u>\$ (52,047)</u>
	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>

The following summarizes investment return and its classifications on the Consolidated Statement of Activities:

	<u>2022</u>	<u>2021</u>
Interest, dividends and capital gains	70,077	\$ 9,737
Loan and other interest income	8,320	33,157
Realized gains	69,396	39,606
Unrealized (losses) gains	<u>(323,653)</u>	<u>228,778</u>
Net realized/unrealized (loss) gain on investments	<u>(254,257)</u>	<u>268,384</u>
Investment fees	<u>(14,409)</u>	<u>(12,594)</u>
Total investment (loss) income	<u>\$ (190,269)</u>	<u>\$ 298,684</u>
Reported as:		
Unrestricted	\$ (190,269)	\$ 146,007
Restricted	<u>-</u>	<u>152,677</u>
	<u>\$ (190,269)</u>	<u>\$ 298,684</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 \$14,409 and \$12,594 for the years ended June 30, 2022 and 2021, respectively.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022 and 2021

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, 2022 and 2021.

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, 2022.

	June 30, 2022				
	Fair Value	Level 1	Level 2	Level 3	Total
Cash held for investment	\$ 24,543	\$ 24,543	\$ -	\$ -	\$ 24,543
Equity securities:					
Mutual funds	865,477	865,477	-	-	865,477
Equities	224,485	224,485	-	-	224,485
Fixed Income - Other	<u>230,704</u>	<u>230,704</u>	-	-	<u>230,704</u>
Total investments, at fair value	1,345,209	1,345,209	-	-	1,345,209
Pledges receivable	<u>1,953,210</u>	-	-	1,953,210	<u>1,953,210</u>
Total assets, at fair value	<u>\$ 3,298,419</u>	<u>\$ 1,345,209</u>	<u>\$ -</u>	<u>\$ 1,953,210</u>	<u>\$ 3,298,419</u>

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022 and 2021

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, 2022:

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

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	<u>523,762</u>	<u>523,762</u>	-	-	<u>523,762</u>
Total investments, at fair value	1,549,212	1,549,212	-	-	1,549,212
Pledges receivable	<u>1,787,414</u>	-	-	<u>1,787,414</u>	<u>1,787,414</u>
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>

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	\$ <u>21,062</u>	\$ -	\$ -	\$ <u>21,062</u>	\$ <u>21,062</u>

Changes in level 3 assets and liabilities for the years ended June 30, 2022 and 2021, are as follows:

	Pledges Receivable	Charitable Gift Annuities
Balance, July 1, 2020	\$ 2,897,321	\$ 12,176
Additions	397,700	8,886
Payments	(1,513,856)	-
Changes in discount	<u>6,249</u>	-
Balance, June 30, 2021	1,787,414	21,062
Additions	539,000	-
Payments	(350,276)	-
Changes in discount	<u>(22,928)</u>	-
Balance, June 30, 2022	<u>\$ 1,953,210</u>	<u>\$ 21,062</u>

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022 and 2021

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, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Furniture and equipment	\$ 607,969	\$ 580,663
Vehicles	6,763,720	6,640,630
Land and improvements	7,635,367	9,974,050
Buildings	14,762,883	12,209,151
Leasehold improvements	1,020,845	838,881
Less: accumulated depreciation	<u>(10,888,029)</u>	<u>(9,651,049)</u>
Total land, buildings, equipment, and vehicles	<u>19,902,755</u>	<u>20,592,326</u>
Software	139,440	139,440
Less: accumulated depreciation	<u>(139,440)</u>	<u>(139,440)</u>
Total software	-	-
Construction in progress	<u>4,376,581</u>	<u>2,944,947</u>
Total property and equipment	<u>\$ 24,279,336</u>	<u>\$ 23,537,273</u>

Presented on the consolidated statement of financial position as:

Construction in progress	\$ 4,376,581	\$ 2,621,890
Construction in progress, federal constraints	-	323,057
Property and equipment, net, federal constraints	7,176,219	7,722,764
Property and equipment, net	<u>12,726,536</u>	<u>12,869,562</u>
Total	<u>\$ 24,279,336</u>	<u>\$ 23,537,273</u>

NOTE 7. UNEARNED REVENUE

Unearned revenue consists of cash received from grantors that was not earned as of June 30, 2022 and 2021. The activity in the unearned revenue account is as follows:

	<u>2022</u>	<u>2021</u>
Unearned revenue, beginning of year	\$ 4,152,591	\$ 3,050,725
Grant awards received	8,232,500	10,172,357
Grant expenditures	<u>(7,432,237)</u>	<u>(9,070,491)</u>
Gross unearned revenue, end of year	4,952,854	4,152,591
Less: amount not received in cash	<u>(4,899,712)</u>	<u>(4,147,591)</u>
Net unearned revenue	<u>\$ 53,142</u>	<u>\$ 5,000</u>

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022 and 2021

NOTE 8. NOTES PAYABLE

HRDC's notes payable at June 30, 2022 and 2021, are as follows:

	Original Loan Amount	2022 Balance Outstanding	2021 Balance Outstanding
First Security Bank	\$ 660,578	\$ 337,766	\$ 348,889
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 5, 2020).		
Collateral	First lien on the West Babcock Apartments and guaranteed by HRDC.		
City of Bozeman Community Affordable Housing	\$ 150,000	\$ 22,499	\$ 27,082
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	\$ 76,211	\$ 79,043
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	\$ 19,615	\$ 20,346
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	\$ 319,865	\$ 329,558
Loan date	February 1, 2002		
Maturity date	February 1, 2042		
Monthly payment	\$ 2,097		
Interest rate	4.75%		
Collateral	First lien on the HRDC Central Office building and land.		
First Interstate Bank	\$ 152,800	\$ 42,850	\$ 50,969
Original loan date	December 28, 1999		
Refinanced	June 19, 2003		
Maturity date	May 1, 2028		
Monthly payment	\$ 893		
Interest rate	5.50%		
Terms	Resets every 5 years to .50% above the <i>Wall Street Journal</i> Prime Rate (5.0% in June 2018).		
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, 2022 and 2021

NOTE 8. NOTES PAYABLE (CONTINUED)

		Original Loan Amount	2022 Balance Outstanding	2021 Balance Outstanding
Stockman Bank of Montana		\$ 252,287	\$ 166,372	\$ 177,693
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 (.80% in April 2013).			
Collateral	First lien on the HRDC Annex building.			
First Security Bank		\$ 275,000	\$ 123,565	\$ 130,922
Loan date	May 22, 2014			
Maturity date	May 20, 2034			
Monthly payment	\$ 1,709			
Interest rate	5.26%			
Terms	Resets every 5 years to 3.00% above the Federal Home Loan Bank Bullet Rate (2.26% in July 2019) 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	\$0			
Interest rate	0.00%			
Terms	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.			
Collateral	First lien on the Summit Place Apartments in Livingston, MT.			
Community First Fund of Montana		\$ 92,500	\$ 79,221	\$ 81,391
Loan date	August 24, 2015			
Maturity date	September 1, 2045			
Monthly payment	\$ 415			
Interest rate	3.50%			
Collateral	First lien on the modular home building located on Olivine St. in Bozeman, MT.			
First Security Bank		\$ 540,000	\$ 468,286	\$ 488,228
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 of Des Moines 5-year long-term fixed rate (2.26% in July 2017) 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, 2022 and 2021

NOTE 8. NOTES PAYABLE (CONTINUED)

		<u>Original Loan Amount</u>	<u>2022 Balance Outstanding</u>	<u>2021 Balance Outstanding</u>
First Security Bank		\$ 1,342,500	\$ 1,166,112	\$ 1,213,923
Loan date	October 23, 2017			
Maturity date	October 23, 2037			
Monthly payment	\$ 8,842			
Interest rate	4.60%			
Terms	Resets every 5 years to 2.50% above the Federal Home Loan Bank of Des Moines 5-year long-term fixed rate (2.33% in October 2017) with a minimum rate of 4.60%.			
Collateral	First lien on the Cottages at Menicucci Square modular home buildings and land in Belgrade, MT.			
First Security Bank		\$ 1,125,000	\$ 1,125,000	\$ 1,125,000
Loan date	July 6, 2018			
Maturity date	March 6, 2032			
Monthly payment	\$ 6,743			
Interest rate	5.25%			
Terms	Principal due upon maturity. Monthly interest payments beginning August 6, 2018, until maturity.			
Collateral	First lien (deed of trust dated July 6, 2018) on 5.73 acres of land located at 206 E. Griffin 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 payments until maturity.			
Collateral	Second lien (deed of trust to a trustee in favor of Lender) on 2 parcels of land on E. Griffin and Wheat Drive in Bozeman, MT.			
First Security Bank		\$ 2,498,492	\$ -	\$ 142,529
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	First lien on Willow Springs development in Bozeman, MT.			
First Security Bank		\$ 423,750	\$ 397,646	\$ 407,221
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 (1.88% in August 2019) with a minimum rate of 5.00%.			
Collateral	First lien (deed of trust dated August 23, 2019) on buildings and land located at 214 & 216 N. 15th Ave in Bozeman, MT.			

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2022 and 2021

NOTE 8. NOTES PAYABLE (CONTINUED)

		Original Loan Amount	2022 Balance Outstanding	2021 Balance Outstanding
First Security Bank		\$ 407,000	\$ -	\$ 407,000
Loan date	April 16, 2020			
Maturity date	April 16, 2022			
Interest rate	1.00%			
Terms	Note is a Paycheck Protection Program (PPP) loan guaranteed by the SBA and was forgiven upon meeting certain criteria.			
Collateral	Loan is unsecured.			
First Security Bank		\$ 585,000	\$ -	\$ 585,000
Loan date	June 26, 2020			
Maturity date	June 26, 2022			
Monthly payment	\$ 2,281			
Interest rate	4.59%			
Terms	Monthly interest only payments beginning July 26, 2020 until maturity. Principal due upon maturity.			
Collateral	First lien on land located on Mandeville Lane in Bozeman, MT			
Yellowstone Bank		\$ 1,462,500	\$ 1,324,122	\$ 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 payments. Interest rate resets after 60 months to 3.5% above the FHLB Des Moines 5 year fixed-rate regular advance rate and is subject to change.			
Collateral	First lien on building and land located at 805 Wheat Drive in Bozeman, MT.			
Bear Dog Group LLC		\$ 473,315	\$ 404,148	\$ 404,148
Loan date	July 9, 2020			
Maturity date	July 9, 2023			
Monthly payment	\$ 674			
Interest rate	2.00%			
Terms	Monthly interest only payments. Principal and accrued interest due upon maturity.			
Collateral	Second lien on building and land located at 805 Wheat Drive in Bozeman, MT.			

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022 and 2021

NOTE 8. NOTES PAYABLE (CONTINUED)

		Original Loan Amount	2022 Balance Outstanding	2021 Balance Outstanding
First Security Bank		\$ 656,250	\$ 632,012	\$ 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 for 119 months. Remaining balance of principal and accrued interest estimated at \$475,193 due upon maturity. The interest rate resets every 5 years to 3.25% above the FHLB Des Moines 5 year long-term fixed rate advance index (0.760% in October 2020) with a minimum rate of 4.19%.			
Collateral	First lien (deed of trust) on property located at 40 Jardine Rd in Gardiner, MT.			
Neighborworks Montana		\$ 220,000	\$ 220,000	\$ 220,000
Loan date	February 17, 2021			
Maturity date	February 28, 2023			
Quarterly payment	\$ 3,615			
Interest rate	6.50%			
Terms	Quarterly interest only payments. Principal and accrued interest due upon maturity.			
Collateral	Second lien on property located at 40 Jardine Rd in Gardiner, MT.			
MT Board of Housing		\$ 900,000	\$ 871,172	\$ 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.			
Collateral	First lien on Livingston Cottages modular home buildings (units A-L) located in the Livingston Land Trust Subdivision in Livingston, Montana.			
Neighborworks Montana		\$ 200,000	\$ 194,051	\$ 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.			
Collateral	Second lien on Livingston Cottages modular home buildings (Units A-L) located in the Livingston Land Trust Subdivision in Livingston, Montana.			

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022 and 2021

NOTE 8. NOTES PAYABLE (CONTINUED)

		Original Loan Amount	2022 Balance Outstanding	2021 Balance Outstanding
First Security Bank		\$ 3,756,409	\$ 3,756,409	\$ -
Loan date	March 16, 2022			
Maturity date	March 16, 2029			
Annual payment	\$ 637,485			
Interest rate	4.50%			
Terms	Payable in six yearly principal and interest payments of \$637,485 each, with first payment due on March 16, 2023 and one final payment due on March 16, 2029. This loan is a component of the New Markets Tax Credit financing package originated on March 16, 2022.			
Collateral	Secured by a collateral assignment of leverage loan documents and capital campaign pledges.			
MoFI		\$ 2,987,967	<u>\$ 2,987,967</u>	<u>\$ -</u>
Loan date	March 16, 2022			
Maturity date	March 16, 2052			
Annual payment	Variable			
Interest rate	1.00%			
Terms	Payable in variable annual principal payments of approximately \$540,000 to \$670,000 beginning in 2029 through 2052. This loan is a component of the New Markets Tax Credit financing package originated on March 16, 2022.			
Collateral	Secured by property under development located at 206 E. Griffin Drive in Bozeman, MT.			
Total notes payable			<u>\$ 16,063,089</u>	<u>\$ 10,700,073</u>

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

2023	\$	1,944,385
2024		421,378
2025		410,495
2026		379,529
2027		365,400
Thereafter		<u>12,541,902</u>
		<u>\$ 16,063,089</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.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022 and 2021

NOTE 8. NOTES PAYABLE (CONTINUED)

The amount of loan forgiveness would be reduced if the borrower terminates employees or reduces salaries during the covered period. The unforgiven portion of the PPP loan would be 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. 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 the fiscal year ended June 30, 2022.

In addition to the loans payable listed above, 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 long-term intercompany loans from HRDC funds is as follows:

	Original Loan Amount	2022 Balance Outstanding	2021 Balance Outstanding
Home Corporation (West Babcock Apartments) - Smyth funds	\$ 200,000	\$ 155,906	\$ 161,192
Loan date	April 29, 2013		
Maturity date	May 5, 2040		
Annual payment	\$ 1,034		
Interest rate	4.21%		
Collateral	Third lien on West Babcock Apartments.		
Miles LP - Miles Building, Inc. CDBG Loan	\$ 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		
HRDC Griffin Place Holding Corporation	\$ 10,484,950	\$ 10,484,950	\$ -
Original date of loan	March 16, 2022		
Maturity date	March 16, 2052		
Annual payment	\$ 123,513		
Interest rate	1.00%		
Collateral	Secured by property under development located at 206 E. Griffin Drive in Bozeman, MT		
	Total long-term intercompany notes payable	<u>\$ 10,640,856</u>	<u>\$ 661,192</u>

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2022 and 2021

NOTE 8. NOTES PAYABLE (CONTINUED)

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

	<u>2022</u>	<u>2021</u>
Other temporary intercompany loans		
Koch Home 8%	\$ 13,429	\$ 16,300
Blueprint N15th Houses 0%	192,463	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
Willow Springs Townhouse Development 0%	750,088	-
Livingston Land Trust Cottages 0%	173,790	173,790
Cottages at Menicucci Square 0%	550,584	550,584
HRDC NMTC/Capital Campaign 0%	<u>1,045,595</u>	<u>-</u>
Total other temporary intercompany loans	<u>\$ 3,289,150</u>	<u>\$ 1,496,338</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. In September of 2021, the land was purchased by HRDC and is no longer being leased.

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, 2022 and 2021

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 April 2022 for office space that expires March 2023 for \$1,350 per month.

HRDC entered into a lease agreement in October 2021 for office space that expires September 2023 for \$825 per month. If renewed, annual rent will escalate by 4% each lease year.

HRDC entered into a lease agreement in February 2019 for office space that expired September 30, 2021, for \$2,200 per month.

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 increased 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.

HRDC entered into a lease agreement in July 2021 for copiers that expires in 2026. Monthly payments are \$75.

Rent expense totaled \$223,401 and \$211,452 for 2022 and 2021, respectively. Future minimum payments due under lease agreements is as follows:

<u>Year ending June 30,</u>	
2023	\$ 181,480
2024	164,007
2025	70,494
2026	2,229
2027	1,200
Thereafter	<u>18,000</u>
	<u>\$ 437,410</u>

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022 and 2021

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, 2022 and 2021, HRDC contributed \$242,039 and \$230,878 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 \$562,985 and \$506,601 for insurance premiums for the years ended June 30, 2022 and 2021, 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

As of June 30, 2022, HRDC had a portfolio of 58 Community Land Trust (CLT) homes located in Bozeman and Livingston. Under the CLT model, HRDC maintains ownership of the land, while selling the home and improvements to qualified purchasers. Homeowners lease the land from HRDC via a long-term, renewable ground lease, which places restrictions on resale, occupancy, and appreciation. When homes within the CLT are transferred, HRDC enforces these restrictions to ensure that the homes are transferred to qualifying households at below-market prices with new ground leases. These restrictions ensure that homes sold within the CLT program continue to meet the needs of community members and create affordable ownership opportunities in perpetuity.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022 and 2021

NOTE 11. LAND TRUSTS (CONTINUED)

In 2018, HRDC began utilizing an updated ground lease to model industry best practices. This new lease provides owners with a base price and fixed rate of annual appreciation. As homes with “legacy leases” within the trust are sold, HRDC converts homes to the new ground lease. Legacy ground leases utilize an appreciation-based model, which, while effective at the goal of preserving affordability, require current appraisals before the home can sell. This is an unnecessary and counterproductive requirement, as appraised values used to determine sales price may vary from appraisals secured by the new buyer’s lender. At the time legacy leases were created, lenders accepted the original appraisal for the new buyer – updated mortgage lending regulations make this an unnecessarily onerous process. The new ground lease provides certainty to owners as to their sales price at any given time without need for pre-sale appraisal.

HRDC continues to seek opportunities to expand their CLT holdings and develop homes with partners. On March 22, 2022, HRDC transferred 52 CLT condominiums in the Meadowview project to the Big Sky Community Housing Trust (BSCHT). These homes were developed on behalf of BSCHT, with the intent to transfer the development upon completion.

HRDC had previously 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, 2022 and 2021. HRDC served as a guarantor in order to secure financing for purchasers of these affordable homes. HRDC’s guarantee was secured by land held in the Land Trust. The two guaranteed mortgages have been paid off with reconveyance completed or refinance without guarantee.

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.

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%.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2022 and 2021

NOTE 13. PLANNED GIFT LIABILITIES (CONTINUED)

The following table summarizes the change to planned gift liabilities for the year ended June 30, 2022 and 2021:

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 July 1, 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	21,062
Increase in estimated present value of liability from contributions	<u>-</u>
Estimated present value of liability at June 30, 2022	<u><u>\$ 21,062</u></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, 2022, HRDC met the requirements to issue qualified charitable gift annuities.

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.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022 and 2021

NOTE 14. ENDOWMENT NET ASSETS (CONTINUED)

Interpretation of Relevant Law (Continued)

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, 2022 and 2021.

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 2022 and 2021.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2022 and 2021

NOTE 14. ENDOWMENT NET ASSETS (CONTINUED)

Spending Policy and How the Investment Objectives Relate to Spending Policy (Continued)

Endowment net asset composition by type of fund as of June 30, 2022 and 2021, are as follows:

	With Donor Restrictions
<u>2022</u>	
Donor-restricted endowment funds	\$ <u>219,128</u>
<u>2021</u>	
Donor-restricted endowment funds	\$ <u>209,128</u>

Changes in HRDC General Endowment net assets for the years ended June 30, 2022 and 2021, are as follows:

	With Donor Restrictions
Endowment net assets, July 1, 2020	\$ 169,354
Contributions and transfers	<u>39,774</u>
Endowment net assets, June 30, 2021	209,128
Contributions and transfers	<u>10,000</u>
Endowment net assets, June 30, 2022	\$ <u>219,128</u>

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% 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.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022 and 2021

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 \$3,597,825 as of June 30, 2022, 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, 2022, revenues generated from rental operations were \$1,193,912 or 6% of the HRDC's total revenues. Corresponding debt service payments made to third parties were \$84,632 for the year with total outstanding debts related to the apartment units of \$3,029,699, or 16%, 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, 2022 and 2021, HRDC received approximately 32% and 19%, respectively, of its gross public support from such grants.

NOTE 17. SUBSEQUENT EVENTS

In November and December 2022, multiple loans payable were paid off or forgiven to HRDC, eliminating the debt completely. On November 15, 2022, HRDC received \$405,000 in CDBG funding for the purpose of paying off the second mortgage at the Wheat Suites Hotel to the Bear Dog Group. The loan was fully paid on November 23, 2022. In addition, on December 2, 2022, HRDC was notified that loans, for Housing First Village and the Griffin Development Project, in the amount of \$890,100 from Diana Blank had been fully forgiven.

In November 2022, HRDC was notified of a large private grant in the amount of \$5,000,000 from the Day 1 Family Fund. The funding is restricted for the purposes of pursuing solutions to family homelessness with a strong focus on providing housing, as well as social services, skills training, and job support to assist families in transitioning to and remaining in permanent housing. Examples of eligible activities include diversion, street outreach, low barrier shelters, rehousing, and connection to services.

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. Construction activities have also continued to progress on another land parcel previously acquired by HRDC for future construction of a new Food and Resource Center, The Marketplace, and expansion of other facilities, jointly known as Community Commons.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022 and 2021

NOTE 17. SUBSEQUENT EVENTS (CONTINUED)

Once the Marketplace is operational, HRDC's pay-what-you-can restaurant, the Fork and Spoon, will move operations to that location. The current building, owned by HRDC, has an executed purchase option to sell the building. The agreement is for \$1,600,000.

Management has evaluated events through March 17, 2023, the date on which the financial statements were available for issue.

SUPPLEMENTAL INFORMATION SECTION

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
EXPLANATION OF SUPPLEMENTAL SCHEDULES
June 30, 2022 and 2021

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, 2022

	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.	HRDC Griffin Place Holding Co.	Eliminations	Consolidated Total
ASSETS													
Cash and cash equivalents	\$ 5,398,006	\$ 183,825	\$ 14,299	\$ 29,231	\$ 800	\$ -	\$ 800	\$ -	\$ 6,885	\$ 17,220	\$ -	\$ -	\$ 5,651,066
Escrow and building reserve	75,000	45,887	-	194,655	-	-	-	-	-	115,246	-	-	430,788
Cash restricted for capital campaign	168,234	-	-	-	-	-	-	-	-	-	12,274,830	-	12,443,064
Receivables (Note 3)													
Grantors	1,955,057	-	-	-	-	-	-	-	-	-	-	-	1,955,057
Accounts receivable, net	1,726,688	45,701	277,897	4,444	-	-	-	-	(157)	258	-	(181,800)	1,873,031
Pledges receivable, net	1,953,210	-	-	-	-	-	-	-	-	-	-	-	1,953,210
Prepaid expenses	231,330	-	-	2,013	-	-	-	-	-	-	-	-	233,343
Investments (Note 4)	1,345,209	-	-	-	-	-	-	-	-	-	-	-	1,345,209
Inventory - supplies and food bank	267,082	-	-	-	-	-	-	-	-	-	-	-	267,082
Inventory - condominiums, federal constraints	323,076	-	-	-	-	-	-	-	-	-	-	-	323,076
Inventory - condominiums	225,000	-	-	-	-	-	-	-	-	-	-	-	225,000
Deferred loans receivable, net (Note 3)	15,465,274	-	1,332,000	-	-	-	-	-	-	-	-	(11,365,230)	5,432,044
Investment in partnership	4,519,408	-	1	-	-	-	-	-	-	-	-	(4,519,409)	-
Construction in progress (Note 6)	1,961,347	-	-	-	-	-	-	-	-	-	2,415,234	-	4,376,581
Property and equipment, net, federal constraints (Note 6)	6,459,400	-	-	427,007	-	-	-	-	47,247	242,565	-	-	7,176,219
Property and equipment, net (Note 6)	6,353,535	4,871,649	-	-	-	-	-	-	-	1,352	1,500,000	-	12,726,536
Total assets	<u>\$ 48,426,856</u>	<u>\$ 5,147,062</u>	<u>\$ 1,624,197</u>	<u>\$ 657,350</u>	<u>\$ 800</u>	<u>\$ -</u>	<u>\$ 800</u>	<u>\$ -</u>	<u>\$ 53,975</u>	<u>\$ 376,641</u>	<u>\$ 16,190,064</u>	<u>\$ (16,066,439)</u>	<u>\$ 56,411,306</u>
LIABILITIES													
Accounts payable	\$ 591,084	\$ 184,465	\$ 75	\$ 10,533	\$ 800	\$ -	\$ 800	\$ -	\$ 1,039	\$ 5,895	\$ 605,386	\$ (181,800)	\$ 1,218,277
Accrued liabilities	798,639	-	-	-	-	-	-	-	-	-	-	-	798,639
Accrued vacation, sick, and paid time off	301,405	-	-	-	-	-	-	-	-	-	-	-	301,405
Accrued interest payable	17,515	7,089	-	1,717	-	-	-	-	-	-	-	-	26,321
Deposits payable	26,528	45,691	-	16,727	-	-	-	-	938	1,798	58,369	-	150,051
Unearned revenue (Note 7)	53,142	-	-	-	-	-	-	-	-	-	-	-	53,142
Notes payable (Note 8)	8,545,421	2,955,710	-	516,171	-	-	-	-	-	438,100	14,972,917	(11,365,230)	16,063,089
Total liabilities	<u>10,333,734</u>	<u>3,192,955</u>	<u>75</u>	<u>545,148</u>	<u>800</u>	<u>-</u>	<u>800</u>	<u>-</u>	<u>1,977</u>	<u>445,793</u>	<u>15,636,672</u>	<u>(11,547,030)</u>	<u>18,610,924</u>
NET ASSETS													
Without donor restrictions													
Undesignated	22,381,219	1,954,107	1,624,122	(314,805)	-	-	-	-	4,751	(311,717)	553,392	(4,519,409)	21,371,660
Federal constrained inventory and capital assets	6,782,476	-	-	427,007	-	-	-	-	47,247	242,565	-	-	7,499,295
Total net assets without donor restrictions	29,163,695	1,954,107	1,624,122	112,202	-	-	-	-	51,998	(69,152)	553,392	(4,519,409)	28,870,955
With donor restrictions													
Purpose or time restrictions	8,710,299	-	-	-	-	-	-	-	-	-	-	-	8,710,299
Perpetual in nature (endowment)	219,128	-	-	-	-	-	-	-	-	-	-	-	219,128
Total net assets with donor restrictions	8,929,427	-	-	-	-	-	-	-	-	-	-	-	8,929,427
Total net assets	<u>38,093,122</u>	<u>1,954,107</u>	<u>1,624,122</u>	<u>112,202</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,998</u>	<u>(69,152)</u>	<u>553,392</u>	<u>(4,519,409)</u>	<u>37,800,382</u>
Total liabilities and net assets	<u>\$ 48,426,856</u>	<u>\$ 5,147,062</u>	<u>\$ 1,624,197</u>	<u>\$ 657,350</u>	<u>\$ 800</u>	<u>\$ -</u>	<u>\$ 800</u>	<u>\$ -</u>	<u>\$ 53,975</u>	<u>\$ 376,641</u>	<u>\$ 16,190,064</u>	<u>\$ (16,066,439)</u>	<u>\$ 56,411,306</u>

See Independent Auditors' Report.

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
Interest	-	-	32,271	-	-	-	-	-	-	-	-	32,271
Accounts receivable, net	1,773,669	82,455	3,105,422	3,070	-	12,434	-	13,244	5,489	466	(3,256,612)	1,739,637
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
Other assets - manufactured homes	-	-	-	-	-	-	-	-	-	-	-	-
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	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	22,179,139	455,037	4,207,567	(383,004)	1,883,922	975,496	18,901	196,060	335,727	(333,207)	(7,349,528)	22,186,110
Federal constrained inventory and capital assets	7,666,835	-	-	478,957	-	-	-	-	49,094	257,462	-	8,452,348
Total net assets without donor restrictions	29,845,974	455,037	4,207,567	95,953	1,883,922	975,496	18,901	196,060	384,821	(75,745)	(7,349,528)	30,638,458
With donor restrictions												
Purpose or time restrictions	4,643,543	-	-	-	-	-	-	-	-	-	-	4,643,543
Perpetual in nature (endowment)	209,128	-	-	-	-	-	-	-	-	-	-	209,128
Total net assets with donor restrictions	4,852,671	-	-	-	-	-	-	-	-	-	-	4,852,671
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 Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
CONSOLIDATING SCHEDULE OF ACTIVITIES
For the Year Ended June 30, 2022

	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.	HRDC Griffin Place Holding Co.	Eliminations	Consolidated Total
NET ASSETS WITHOUT DONOR RESTRICTIONS													
REVENUES													
Contract revenue	\$ 1,026,887	\$ -	\$ 15,001	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (43,732)	\$ 998,156
Developers' fee	-	-	220,753	-	-	-	-	-	-	-	-	-	220,753
Revenue from partnership	1,617	-	247,306	-	-	-	-	-	-	-	-	-	248,923
Rental income	528,032	377,174	-	211,363	-	7,346	-	-	12,156	57,841	-	-	1,193,912
City/County/Local Government support	1,109,229	-	500,000	-	-	-	-	-	-	-	-	-	1,609,229
Net loss on sale of manufactured homes and condominiums	(451,547)	-	-	-	-	-	-	-	-	-	-	-	(451,547)
Contributions of cash and other financial assets:													
Grants:													
Federal	7,744,318	-	-	-	-	-	-	-	-	-	-	-	7,744,318
State	770,084	-	-	-	-	-	-	-	-	-	-	-	770,084
Private	519,881	-	-	-	-	-	-	-	-	-	-	-	519,881
Pledged contributions	509,857	-	-	-	-	-	-	-	-	-	-	-	509,857
Contributions & fundraising	3,786,790	-	-	-	-	-	-	-	-	-	-	-	3,786,790
Nonfinancial asset contributions (food and services)	2,867,920	-	-	-	-	-	-	-	-	-	-	-	2,867,920
Net investment (loss) income	(192,676)	23	8,320	40	-	-	-	1	92	20	-	(6,089)	(190,269)
Loss from subsidiaries	(3,460,439)	-	-	-	-	-	-	-	-	-	-	3,460,439	-
Gain on sale of property	266,182	-	6,026	-	-	-	-	-	-	-	-	-	272,208
Net gain (loss) on sale of housing properties	-	(9,257)	-	-	-	35,025	-	15,411	62,349	-	-	-	103,528
Other	504,129	2,234	-	-	-	-	-	-	4,250	750	-	-	511,363
Net assets released from program restrictions	207,419	-	-	-	-	-	-	-	-	-	-	-	207,419
Total revenues	15,737,683	370,174	997,406	211,403	-	42,371	-	15,412	78,847	58,611	-	3,410,618	20,922,525
EXPENSES													
Program services:													
Energy	1,035,907	-	-	-	-	-	-	-	-	-	-	-	1,035,907
Food and nutrition	4,731,717	-	-	-	-	-	-	-	-	-	-	-	4,731,717
Senior citizens	418,364	-	-	-	-	-	-	-	-	36,670	-	-	455,034
Community development	3,969,150	-	-	-	-	-	-	-	-	-	-	(43,731)	3,925,419
Economic and youth development	897,520	-	-	-	-	-	-	-	-	-	-	-	897,520
Housing	2,768,945	539,823	22,197	175,154	820	(2,252)	820	16,466	11,819	15,348	518,185	(6,089)	4,061,236
Early childhood education	1,990,489	-	-	-	-	-	-	-	-	-	-	-	1,990,489
Transportation	2,965,001	-	-	-	-	-	-	-	-	-	-	-	2,965,001
Total program services	18,777,093	539,823	22,197	175,154	820	(2,252)	820	16,466	11,819	52,018	518,185	(49,820)	20,062,323
Supporting services:													
Administration	1,604,257	-	-	-	-	-	-	-	-	-	-	-	1,604,257
Fundraising	523,448	-	-	-	-	-	-	-	-	-	-	-	523,448
Total supporting services	2,127,705	-	-	-	-	-	-	-	-	-	-	-	2,127,705
Total expenses	20,904,798	539,823	22,197	175,154	820	(2,252)	820	16,466	11,819	52,018	518,185	(49,820)	22,190,028
Change in net assets without donor restrictions	(5,167,115)	(169,649)	975,209	36,249	(820)	44,623	(820)	(1,054)	67,028	6,593	(518,185)	3,460,438	(1,267,503)
NET ASSETS WITH DONOR RESTRICTIONS													
Purpose or time restricted contributions and income	4,274,175	-	-	-	-	-	-	-	-	-	-	-	4,274,175
Perpetually restricted contributions	10,000	-	-	-	-	-	-	-	-	-	-	-	10,000
Net assets released from program restrictions	(207,419)	-	-	-	-	-	-	-	-	-	-	-	(207,419)
Change in net assets with donor restrictions	4,076,756	-	-	-	-	-	-	-	-	-	-	-	4,076,756
Transfers in	4,495,492	2,215,734	2,482	-	800	-	800	-	-	-	-	(6,715,308)	-
Transfers out	(10,656)	(547,015)	(3,061,136)	(20,000)	(1,883,902)	(708,037)	(18,881)	(195,006)	(270,675)	-	-	6,715,308	-
Net transfers in (out)	4,484,836	1,668,719	(3,058,654)	(20,000)	(1,883,102)	(708,037)	(18,081)	(195,006)	(270,675)	-	-	-	-
Change in total net assets	3,394,477	1,499,070	(2,083,445)	16,249	(1,883,922)	(663,414)	(18,901)	(196,060)	(203,647)	6,593	(518,185)	3,460,438	2,809,253
Net assets, beginning of year	34,698,645	455,037	4,207,567	95,953	1,883,922	975,496	18,901	196,060	384,821	(75,745)	-	(7,349,528)	35,491,129
Capital contribution	-	-	-	-	-	-	-	-	-	-	1,071,577	(1,071,577)	-
Capital distribution	-	-	-	-	-	(312,082)	-	-	(129,176)	-	-	441,258	-
Investment in partnership interest	-	-	(500,000)	-	-	-	-	-	-	-	-	-	(500,000)
Net assets, end of year	\$ 38,093,122	\$ 1,954,107	\$ 1,624,122	\$ 112,202	\$ -	\$ -	\$ -	\$ -	\$ 51,998	\$ (69,152)	\$ 553,392	\$ (4,519,409)	\$ 37,800,382

See Independent Auditors' 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
Net loss on sale of manufactured homes and condominiums	(2,407,701)	-	-	-	-	-	-	-	-	-	-	(2,407,701)
Contributions of cash and other financial assets:												
Grants:												
Federal	9,016,985	-	-	-	-	-	-	-	-	-	-	9,016,985
State	909,834	-	-	-	-	-	-	-	-	-	-	909,834
Private	584,830	-	-	-	-	-	-	-	-	-	-	584,830
Pledged contributions	399,807	-	-	-	-	-	-	-	-	-	-	399,807
Contributions & fundraising	4,043,084	-	-	-	-	-	-	-	-	-	-	4,043,084
Nonfinancial asset contributions (food and services)	3,324,997	-	-	-	-	-	-	-	-	-	-	3,324,997
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
Net gain on sale of housing properties	-	573,627	-	-	-	1,365,166	-	2,350,764	594,370	-	-	4,883,927
Other	293,558	3,233	-	-	-	-	-	-	20,703	-	-	317,494
Net assets released from program restrictions	1,634,545	-	-	-	-	-	-	-	-	-	-	1,634,545
Total revenues	27,126,704	1,149,254	748,481	205,112	21,372	1,633,155	-	2,737,213	899,539	61,678	(5,107,550)	29,474,958
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	4,182,818	-	-	-	-	-	-	-	-	-	-	4,182,818
Economic and youth development	430,702	-	-	-	-	-	-	-	-	-	-	430,702
Housing	2,421,667	691,883	23,240	199,047	2,375	282,695	1,520	559,713	210,696	51,157	(169,955)	4,274,038
Early childhood education	2,072,768	-	-	-	-	-	-	-	-	-	-	2,072,768
Transportation	2,581,195	-	-	-	-	-	-	-	-	-	-	2,581,195
Total program services	18,351,034	691,883	23,240	199,047	2,375	282,695	1,520	559,713	210,696	86,339	(169,955)	20,238,587
Supporting services:												
Administration	1,361,001	-	-	-	-	-	-	-	-	-	-	1,361,001
Fundraising	664,756	-	-	-	-	-	-	-	-	-	-	664,756
Total supporting services	2,025,757	-	-	-	-	-	-	-	-	-	-	2,025,757
Total expenses	20,376,791	691,883	23,240	199,047	2,375	282,695	1,520	559,713	210,696	86,339	(169,955)	22,264,344
Change in net assets without donor restrictions	6,749,913	457,371	725,241	6,065	18,997	1,350,460	(1,520)	2,177,500	688,843	(24,661)	(4,937,595)	7,210,614
NET ASSETS WITH DONOR RESTRICTIONS												
Purpose or time restricted contributions	1,525,111	-	-	-	-	-	-	-	-	-	-	1,525,111
Perpetually restricted contributions	39,774	-	-	-	-	-	-	-	-	-	-	39,774
Net assets released from program restrictions	(1,634,545)	-	-	-	-	-	-	-	-	-	-	(1,634,545)
Change in net assets with donor restrictions	(69,660)	-	-	-	-	-	-	-	-	-	-	(69,660)
Transfers in	2,971,546	-	2,817,099	-	151,713	-	-	-	-	-	(5,940,358)	-
Transfers out	(2,510,847)	(51,496)	(229,675)	(22,821)	-	(602,800)	-	(1,630,485)	(892,234)	-	5,940,358	-
Net transfers in (out)	460,699	(51,496)	2,587,424	(22,821)	151,713	(602,800)	-	(1,630,485)	(892,234)	-	-	-
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	\$ 34,698,645	\$ 455,037	\$ 4,207,567	\$ 95,953	\$ 1,883,922	\$ 975,496	\$ 18,901	\$ 196,060	\$ 384,821	\$ (75,745)	\$ (7,349,528)	\$ 35,491,129

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SCHEDULE OF FINANCIAL POSITION FOR HRDC PROPERTIES
June 30, 2022

	HRDC Colo. Apts.	HRDC West Edge	Cottages at Menicucci Square	Boulevard Apartments	Livingston Cottages	Housing First Village	HRDC Properties Total
ASSETS							
Cash and cash equivalents	\$ 25,279	\$ 64,076	\$ 47,377	\$ -	\$ 47,093	\$ -	\$ 183,825
Escrow and building reserve	33,900	-	-	-	11,987	-	45,887
Receivables (Note 3)							
Accounts receivable, net	327	-	43,251	-	2,123	-	45,701
Prepaid expenses	-	-	-	-	-	-	-
Deferred notes receivable	-	-	-	-	-	-	-
Property and equipment, net (Note 6)	<u>19,167</u>	<u>-</u>	<u>1,603,280</u>	<u>-</u>	<u>1,124,939</u>	<u>2,124,263</u>	<u>4,871,649</u>
Total assets	<u>\$ 78,673</u>	<u>\$ 64,076</u>	<u>\$ 1,693,908</u>	<u>\$ -</u>	<u>\$ 1,186,142</u>	<u>\$ 2,124,263</u>	<u>\$ 5,147,062</u>
LIABILITIES							
Accounts payable	\$ 3,265	\$ 212	\$ 103,126	\$ -	\$ 77,862	\$ -	\$ 184,465
Accrued interest payable	-	-	3,858	-	3,231	-	7,089
Deposits payable	6,143	5,262	23,147	-	11,139	-	45,691
Notes payable (Note 8)	<u>-</u>	<u>-</u>	<u>1,716,697</u>	<u>-</u>	<u>1,239,013</u>	<u>-</u>	<u>2,955,710</u>
Total liabilities	<u>9,408</u>	<u>5,474</u>	<u>1,846,828</u>	<u>-</u>	<u>1,331,245</u>	<u>-</u>	<u>3,192,955</u>
NET ASSETS							
Without donor restrictions							
Undesignated	<u>69,265</u>	<u>58,602</u>	<u>(152,920)</u>	<u>-</u>	<u>(145,103)</u>	<u>2,124,263</u>	<u>1,954,107</u>
Total net assets without donor restrictions	<u>69,265</u>	<u>58,602</u>	<u>(152,920)</u>	<u>-</u>	<u>(145,103)</u>	<u>2,124,263</u>	<u>1,954,107</u>
With donor restrictions							
Purpose or time restrictions	-	-	-	-	-	-	-
Perpetual in nature (endowment)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net assets with donor restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net assets	<u>69,265</u>	<u>58,602</u>	<u>(152,920)</u>	<u>-</u>	<u>(145,103)</u>	<u>2,124,263</u>	<u>1,954,107</u>
Total liabilities and net assets	<u>\$ 78,673</u>	<u>\$ 64,076</u>	<u>\$ 1,693,908</u>	<u>\$ -</u>	<u>\$ 1,186,142</u>	<u>\$ 2,124,263</u>	<u>\$ 5,147,062</u>

See Independent Auditors' 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 loans receivable, net (Note 3)	-	-	-	905,805	-	905,805
Property and equipment, net (Note 6)	<u>20,086</u>	<u>-</u>	<u>1,702,198</u>	<u>-</u>	<u>1,187,436</u>	<u>2,909,720</u>
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)	<u>-</u>	<u>-</u>	<u>1,764,507</u>	<u>439,513</u>	<u>1,260,127</u>	<u>3,464,147</u>
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>
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 Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SCHEDULE OF ACTIVITIES FOR HRDC PROPERTIES
For the Year Ended June 30, 2022

	HRDC Colo. Apts.	HRDC West Edge	Cottages at Menicucci Square	Boulevard Apartments	Livingston Cottages	Housing First Village	HRDC Properties Total
NET ASSETS WITHOUT DONOR RESTRICTIONS							
REVENUES							
Rental income	\$ 55,682	\$ 33,781	\$ 174,557	\$ -	\$ 113,154	\$ -	\$ 377,174
Net investment income	9	-	8	4	2	-	23
Loss on sale of property	-	-	-	(9,257)	-	-	(9,257)
Other	-	-	2,584	-	(350)	-	2,234
Total revenues	<u>55,691</u>	<u>33,781</u>	<u>177,149</u>	<u>(9,253)</u>	<u>112,806</u>	<u>-</u>	<u>370,174</u>
EXPENSES							
Program services:							
Housing	<u>31,374</u>	<u>12,335</u>	<u>243,963</u>	<u>10,153</u>	<u>150,527</u>	<u>91,471</u>	<u>539,823</u>
Total program services	<u>31,374</u>	<u>12,335</u>	<u>243,963</u>	<u>10,153</u>	<u>150,527</u>	<u>91,471</u>	<u>539,823</u>
Total expenses	<u>31,374</u>	<u>12,335</u>	<u>243,963</u>	<u>10,153</u>	<u>150,527</u>	<u>91,471</u>	<u>539,823</u>
Change in net assets without donor restrictions	24,317	21,446	(66,814)	(19,406)	(37,721)	(91,471)	(169,649)
Transfers in	-	-	-	-	-	2,215,734	2,215,734
Transfers out	<u>(33,690)</u>	<u>-</u>	<u>-</u>	<u>(513,325)</u>	<u>-</u>	<u>-</u>	<u>(547,015)</u>
Net transfers in (out)	<u>(33,690)</u>	<u>-</u>	<u>-</u>	<u>(513,325)</u>	<u>-</u>	<u>2,215,734</u>	<u>1,668,719</u>
Change in total net assets	(9,373)	21,446	(66,814)	(532,731)	(37,721)	2,124,263	1,499,070
Net assets, beginning of year	<u>78,638</u>	<u>37,156</u>	<u>(86,106)</u>	<u>532,731</u>	<u>(107,382)</u>	<u>-</u>	<u>455,037</u>
Net assets, end of year	<u>\$ 69,265</u>	<u>\$ 58,602</u>	<u>\$ (152,920)</u>	<u>\$ -</u>	<u>\$ (145,103)</u>	<u>\$ 2,124,263</u>	<u>\$ 1,954,107</u>

See Independent Auditors' 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 on sale of property	-	-	-	573,627	-	573,627
Other	-	-	2,877	6	350	3,233
Total revenues	<u>55,688</u>	<u>33,779</u>	<u>194,298</u>	<u>832,528</u>	<u>32,961</u>	<u>1,149,254</u>
EXPENSES						
Program services:						
Housing	<u>57,652</u>	<u>9,805</u>	<u>221,000</u>	<u>279,344</u>	<u>124,082</u>	<u>691,883</u>
Total program services	<u>57,652</u>	<u>9,805</u>	<u>221,000</u>	<u>279,344</u>	<u>124,082</u>	<u>691,883</u>
Total expenses	<u>57,652</u>	<u>9,805</u>	<u>221,000</u>	<u>279,344</u>	<u>124,082</u>	<u>691,883</u>
Change in net assets without donor restrictions	(1,964)	23,974	(26,702)	553,184	(91,121)	457,371
Transfers out	-	-	(31,437)	-	(20,059)	(51,496)
Net transfers 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 Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SCHEDULE OF FINANCIAL POSITION
HRDC DISREGARDED ENTITIES (LLCs)
June 30, 2022

	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	\$ 14,354	\$ 75	\$ -	\$ (90)	\$ (40)	\$ -	\$ -	\$ 14,299
Receivables								
Interest	40,591	-	-	-	-	-	-	40,591
Accounts receivable, net	-	-	-	-	-	-	237,306	237,306
Deferred loans receivable, net	832,000	-	500,000	-	-	-	-	1,332,000
Investment in partnership	-	-	-	1	-	-	-	1
Total assets	<u>\$ 886,945</u>	<u>\$ 75</u>	<u>\$ 500,000</u>	<u>\$ (89)</u>	<u>\$ (40)</u>	<u>\$ -</u>	<u>\$ 237,306</u>	<u>\$ 1,624,197</u>
LIABILITIES								
Accounts payable	<u>\$ -</u>	<u>\$ 75</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75</u>
Total liabilities	<u>-</u>	<u>75</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75</u>
NET ASSETS								
Without donor restrictions								
Undesignated	<u>886,945</u>	<u>-</u>	<u>500,000</u>	<u>(89)</u>	<u>(40)</u>	<u>-</u>	<u>237,306</u>	<u>1,624,122</u>
Total net assets without donor restrictions	<u>886,945</u>	<u>-</u>	<u>500,000</u>	<u>(89)</u>	<u>(40)</u>	<u>-</u>	<u>237,306</u>	<u>1,624,122</u>
Total net assets	<u>886,945</u>	<u>-</u>	<u>500,000</u>	<u>(89)</u>	<u>(40)</u>	<u>-</u>	<u>237,306</u>	<u>1,624,122</u>
Total liabilities and net assets	<u>\$ 886,945</u>	<u>\$ 75</u>	<u>\$ 500,000</u>	<u>\$ (89)</u>	<u>\$ (40)</u>	<u>\$ -</u>	<u>\$ 237,306</u>	<u>\$ 1,624,197</u>

See Independent Auditors' 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	896,318	-	497,784	(69)	(20)	(1,591)	2,815,145	4,207,567
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 Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SCHEDULE OF ACTIVITIES
HRDC DISREGARDED ENTITIES (LLCs)
For the Year Ended June 30, 2022

	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	\$ -	\$ -	\$ 15,001	\$ -	\$ -	\$ -	\$ -	\$ 15,001
Developer's fee	-	-	98,656	-	-	-	122,097	220,753
Revenue from partnership	10,000	-	-	-	-	-	237,306	247,306
City/County/Local Government support	-	-	-	-	-	-	500,000	500,000
Net investment income	8,320	-	-	-	-	-	-	8,320
Other	-	-	-	-	-	-	6,026	6,026
Total revenues	<u>18,320</u>	<u>-</u>	<u>113,657</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>865,429</u>	<u>997,406</u>
EXPENSES								
Program services:								
Housing	<u>693</u>	<u>75</u>	<u>18,503</u>	<u>20</u>	<u>20</u>	<u>816</u>	<u>2,070</u>	<u>22,197</u>
Total program services	<u>693</u>	<u>75</u>	<u>18,503</u>	<u>20</u>	<u>20</u>	<u>816</u>	<u>2,070</u>	<u>22,197</u>
Total expenses	<u>693</u>	<u>75</u>	<u>18,503</u>	<u>20</u>	<u>20</u>	<u>816</u>	<u>2,070</u>	<u>22,197</u>
Change in net assets without donor restrictions	<u>17,627</u>	<u>(75)</u>	<u>95,154</u>	<u>(20)</u>	<u>(20)</u>	<u>(816)</u>	<u>863,359</u>	<u>975,209</u>
Transfers in	-	75	-	-	-	2,407	-	2,482
Transfers out	<u>(27,000)</u>	<u>-</u>	<u>(92,938)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,941,198)</u>	<u>(3,061,136)</u>
Net transfers in (out)	<u>(27,000)</u>	<u>75</u>	<u>(92,938)</u>	<u>-</u>	<u>-</u>	<u>2,407</u>	<u>(2,941,198)</u>	<u>(3,058,654)</u>
Change in total net assets	<u>(9,373)</u>	<u>-</u>	<u>2,216</u>	<u>(20)</u>	<u>(20)</u>	<u>1,591</u>	<u>(2,077,839)</u>	<u>(2,083,445)</u>
Net assets, beginning of year	896,318	-	497,784	(69)	(20)	(1,591)	2,815,145	4,207,567
Investment in partnership interest	-	-	-	-	-	-	(500,000)	(500,000)
Net assets, end of year	<u>\$ 886,945</u>	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ (89)</u>	<u>\$ (40)</u>	<u>\$ -</u>	<u>\$ 237,306</u>	<u>\$ 1,624,122</u>

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SCHEDULE OF ACTIVITIES
HRDC DISREGARDED ENTITIES (LLCs)
For the Year Ended 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
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	<u>12,481</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,481</u>
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>
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	<u>-</u>	<u>(15,527)</u>	<u>(214,148)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(229,675)</u>
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 Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
THE HOME CORPORATION
SCHEDULES OF FINANCIAL POSITION (UNAUDITED)
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (net of reserved cash)	\$ 207,299	\$ 166,440
Accounts receivable (net of allowance of \$-0- and \$-0-, respectively)	4,444	3,070
Prepaid assets	<u>2,013</u>	<u>2,013</u>
Total current assets	<u>213,756</u>	<u>171,523</u>
PROPERTY AND EQUIPMENT		
Land	193,094	193,094
Buildings and improvements	1,558,503	1,558,503
Accumulated depreciation	<u>(1,324,590)</u>	<u>(1,272,640)</u>
Total property and equipment	<u>427,007</u>	<u>478,957</u>
OTHER ASSETS		
Cash reserved for tenant deposits	<u>16,587</u>	<u>14,999</u>
Total other assets	<u>16,587</u>	<u>14,999</u>
Total assets	<u>\$ 657,350</u>	<u>\$ 665,479</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Operating accounts payable	\$ 10,533	\$ 15,805
Accrued liabilities	1,717	-
Rent deposits	16,727	16,557
Current portion of long-term debt	<u>17,317</u>	<u>17,317</u>
Total current liabilities	<u>46,294</u>	<u>49,679</u>
LONG-TERM LIABILITIES		
Long-term debt, net of current portion	<u>498,854</u>	<u>519,847</u>
Total liabilities	<u>545,148</u>	<u>569,526</u>
NET ASSETS		
Without donor restrictions		
Undesignated	<u>112,202</u>	<u>95,953</u>
Total liabilities and net assets without donor restrictions	<u>\$ 657,350</u>	<u>\$ 665,479</u>

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.

THE HOME CORPORATION

SCHEDULES OF ACTIVITIES (UNAUDITED)

For the Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
UNRESTRICTED REVENUES		
Rental income	\$ 210,886	\$ 205,717
Tenant fees	477	(638)
Interest income	<u>40</u>	<u>33</u>
Total revenues	<u>211,403</u>	<u>205,112</u>
EXPENSES		
Administration		
Advertising and leasing	168	129
Bank and misc fees	1,264	(125)
Bookkeeping fees	929	4,306
Legal and accounting	800	700
Management fee	18,645	18,313
Office supplies	214	1,161
Professional fees	-	1,750
Contract on-site manager	12,928	21,306
Depreciation	51,950	51,950
Insurance	4,257	4,746
Interest	21,288	22,125
Key replacement	184	11
Maintenance and supplies	23,777	38,767
Property taxes	2,542	1,438
Repairs	1,446	299
Snow plowing and lawn care	13,947	12,200
Utilities, phone, garbage	<u>20,815</u>	<u>19,971</u>
Total expenses	<u>175,154</u>	<u>199,047</u>
Change in net assets	36,249	6,065
Transfers out	(20,000)	(22,821)
Net assets without donor restrictions, beginning of year	<u>95,953</u>	<u>112,709</u>
Net assets without donor restrictions, end of year	<u>\$ 112,202</u>	<u>\$ 95,953</u>

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 THE HOME CORPORATION
 SCHEDULES OF CASH FLOWS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from tenants	\$ 209,989	\$ 202,097
Cash received for interest	40	33
Cash paid for management and bookkeeping	(1,432)	(4)
Cash paid for property operations	(111,213)	(138,472)
Cash paid for transfers	(20,000)	(22,821)
Cash paid for interest	<u>(13,947)</u>	<u>(12,200)</u>
Net cash flows from operating activities	<u>63,437</u>	<u>28,633</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash paid on loan principal	<u>(20,990)</u>	<u>(24,227)</u>
Net cash flows from financing activities	<u>(20,990)</u>	<u>(24,227)</u>
Net change in cash and cash equivalents	42,447	4,406
Cash and cash equivalents, beginning of year	<u>181,439</u>	<u>177,033</u>
Cash and cash equivalents, end of year	<u>\$ 223,886</u>	<u>\$ 181,439</u>
Reconciliation to Statements of Financial Position		
Cash and cash equivalents	\$ 207,299	\$ 166,440
Cash reserves	<u>16,587</u>	<u>14,999</u>
	<u>\$ 223,886</u>	<u>\$ 181,439</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 36,249	\$ 6,065
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	51,950	51,950
Transfers out	(20,000)	(22,821)
Change in operating assets and liabilities:		
Accounts receivable	(1,374)	(2,982)
Prepaid expenses	-	(1,007)
Accounts payable	(3,555)	(1,568)
Rent deposits	<u>167</u>	<u>(1,004)</u>
Net cash flows from operating activities	<u>\$ 63,437</u>	<u>\$ 28,633</u>

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SHERWOOD INN APARTMENTS, INC.
SCHEDULES OF FINANCIAL POSITION (UNAUDITED)
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (net of reserved cash)	\$ 6,885	\$ 860,580
Accounts receivable (net of allowance of \$500)	(157)	5,489
Prepaid expenses	-	<u>10,266</u>
Total current assets	<u>6,728</u>	<u>876,335</u>
PROPERTY AND EQUIPMENT		
Land	25,850	25,850
Buildings and improvements	55,417	55,417
Accumulated depreciation	<u>(34,020)</u>	<u>(32,173)</u>
Total property and equipment	<u>47,247</u>	<u>49,094</u>
OTHER ASSETS		
Cash reserved for tenant deposits	-	1,058
Cash reserved for replacements	-	21,335
Notes receivable	-	<u>282,849</u>
Total other assets	<u>-</u>	<u>305,242</u>
Total assets	<u>\$ 53,975</u>	<u>\$ 1,230,671</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Operating accounts payable	\$ 1,039	\$ 14,249
Rent deposits	938	1,053
Current portion of long-term debt	-	<u>830,548</u>
Total current liabilities	<u>1,977</u>	<u>845,850</u>
LONG-TERM LIABILITIES		
Long-term debt, net of current portion	-	-
Total liabilities	<u>1,977</u>	<u>845,850</u>
NET ASSETS		
Without donor restrictions		
Undesignated	<u>51,998</u>	<u>384,821</u>
Total liabilities and net assets without donor restrictions	<u>\$ 53,975</u>	<u>\$ 1,230,671</u>

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.

SHERWOOD INN APARTMENTS, INC.

SCHEDULES OF ACTIVITIES (UNAUDITED)

For the Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
UNRESTRICTED REVENUES		
Rental income	\$ 12,156	\$ 268,277
Tenant fees	-	16,148
Interest income	92	41
Insurance proceeds	4,250	20,703
Gain on sale of assets	<u>62,349</u>	<u>3,086,015</u>
Total revenues	<u>78,847</u>	<u>3,391,184</u>
EXPENSES		
Administration		
Accounting fees	33	6,691
Advertising and leasing	-	793
Bank and misc fees	299	205
Legal and accounting	800	700
Management fee	922	21,276
Office supplies	40	5,618
Operating and maintenance		
Contract management	31	30,661
Depreciation	1,847	1,847
Insurance	88	4,275
Interest	-	7,017
Maintenance and supplies	-	72,007
Pest control	-	-
Repairs	4,250	5,299
Snow plowing and lawn care	-	5,245
Utilities, phone, garbage	3,509	49,062
Property sale transaction fees	<u>-</u>	<u>2,491,645</u>
Total expenses	<u>11,819</u>	<u>2,702,341</u>
Change in net assets	67,028	688,843
Transfers out	(270,675)	(892,234)
Net assets without donor restrictions, beginning of year	384,821	588,212
Distribution to HRDC	<u>(129,176)</u>	<u>-</u>
Net assets without donor restrictions, end of year	<u>\$ 51,998</u>	<u>\$ 384,821</u>

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SHERWOOD INN APARTMENTS, INC.
SCHEDULES OF CASH FLOWS (UNAUDITED)
For the Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from tenants	\$ 22,052	\$ 279,910
Cash received for interest	92	41
Cash paid for management	(33)	(6,691)
Cash paid for property operations	(12,999)	(216,568)
Cash paid for interest	-	(7,901)
Cash transferred out	<u>(270,675)</u>	<u>(892,234)</u>
Net cash flows from operating activities	<u>(261,563)</u>	<u>(843,443)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash received from sale of asset	62,350	944,256
Net cash received on notes receivable	<u>282,849</u>	<u>-</u>
Net cash flows from investing activities	<u>345,199</u>	<u>944,256</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds on loans	-	830,548
Cash paid on loan principal	(830,548)	(442,804)
Distribution to parent	<u>(129,176)</u>	<u>-</u>
Net cash flows from financing activities	<u>(959,724)</u>	<u>387,744</u>
Net change in cash and cash equivalents	(876,088)	488,557
Cash and cash equivalents, beginning of year	<u>882,973</u>	<u>394,416</u>
Cash and cash equivalents, end of year	<u>\$ 6,885</u>	<u>\$ 882,973</u>
Reconciliation to Statements of Financial Position		
Cash and cash equivalents	\$ 6,885	\$ 861,638
Cash reserves	<u>-</u>	<u>21,335</u>
	<u>\$ 6,885</u>	<u>\$ 882,973</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 67,028	\$ 688,843
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	1,847	1,847
Net gain on sale of asset	(62,349)	(594,370)
Insurance proceeds	(4,250)	(20,703)
Transfer out	(270,675)	(892,234)
Change in operating assets and liabilities:		
Accounts receivable	9,896	(4,515)
Prepaid expenses	10,266	(7,498)
Accounts payable	(13,210)	(61)
Accrued interest	-	(2,656)
Rent deposits	<u>(116)</u>	<u>(12,096)</u>
Net cash flows from operating activities	<u>\$ (261,563)</u>	<u>\$ (843,443)</u>

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
UNRESTRICTED CORPORATE FUNDS
SCHEDULES OF FINANCIAL POSITION (UNAUDITED)
June 30, 2022 and 2021

	Total FYE 6/30/22	Prior Year FYE 6/30/21
ASSETS		
Cash - Operating Savings	\$ 253,935	\$ (108,282)
Cash - Operating Checking	4,794,605	2,316,919
LESS: Cash Currently Committed to HRDC Projects	(3,841,156)	(203,058)
Unrestricted Corporate Cash Available	1,207,384	2,005,579
Investments in Marketable Securities	430,837	491,084
Accounts Receivable	7,176	(33)
Deposit Receivable	450	-
Prepaid Expense	10,314	6,264
Escrow	50,000	-
	-	-
Loans Receivable	2,726,168	-
Intercompany Loans Receivable	6,206,429	1,525,607
Investment in Subsidiaries	531,667	650,185
Buildings and Construction in Progress	588,607	551,870
Land	38,767	38,767
Accumulated Depreciation	(292,207)	(265,322)
TOTAL ASSETS	\$ 11,505,592	\$ 5,004,001
LIABILITIES		
Accounts Payable	\$ 29,044	\$ 26,805
Rental Deposits	3,175	675
Loan Payable	245,592	259,084
Intercompany Loans Payable	158,784	161,656
TOTAL LIABILITIES	436,595	448,220
NET ASSETS		
Net Assets, Beginning of Fiscal Year	4,555,781	3,585,012
Increase/(Decrease) in Net Assets - Current Year	6,513,216	970,769
TOTAL NET ASSETS	11,068,997	4,555,781
TOTAL LIABILITIES AND NET ASSETS	\$ 11,505,592	\$ 5,004,001

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
UNRESTRICTED CORPORATE FUNDS
SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
For the Years Ended June 30, 2022 and 2021

	Total FYE 6/30/22	Prior Year FYE 6/30/21
REVENUE:		
Donations-Unrestricted (HRDC Greatest Needs)	\$ 655,504	\$ 780,960
Donations-Restricted	1,000	1,727
Fund Raising Income-Unrestricted (HRDC Greatest Needs)	69,738	163,581
Misc Income	750	1,524
Rent Income	73,590	45,300
Gain on Asset Sales	-	456,707
Partnership Distribution Income	1,617	-
Private Grant Revenue	68,500	74,000
Loan Interest Income	1,200	4,929
Investment Interest Income	28,381	1,519
Realized and Unrealized Gain/(Loss) on Investments	<u>(79,138)</u>	<u>101,471</u>
TOTAL REVENUES	<u>821,142</u>	<u>1,631,718</u>
EXPENSES:		
Salaries & Fringe	448,805	423,367
Contract Services	32,614	111,148
Closing Costs-Real Property	-	7,927
Fund Raising Expense	16,652	16,185
Outreach/Advertising/Public Relations	4,502	20,237
Admin.Service Cost Allocations	116,213	75,346
Space	12,150	21,409
Utilities	9,377	6,969
Insurance	6,150	5,163
Interest Expense	12,283	13,183
Property Taxes	1,886	1,304
Property Management	3,700	2,400
Repairs and Maintenance	8,948	14,051
Janitorial Expense	2,815	2,972
Software	25,819	19,647
Equipment & Supplies	15,464	7,274
Travel/Training	5,959	3,713
Business Meals/Meetings	3,788	1,551
Recognition	8,417	6,699
Dues	4,835	2,965
Legal	3,847	216
Investment Management Fees	4,120	3,690
Bad Debt Expense	-	1,362
Depreciation Expense	26,886	26,886
Other	<u>5,970</u>	<u>7,536</u>
TOTAL EXPENSES	<u>781,200</u>	<u>803,200</u>
REVENUE OVER/(UNDER) EXPENSES	39,942	828,518
Transfers In	8,155,018	2,271,406
Transfers Out	(1,681,745)	(2,126,155)
NET ASSETS, Beginning of Fiscal Year	<u>4,555,781</u>	<u>3,585,012</u>
NET ASSETS, End of Fiscal Year	<u>\$ 11,068,997</u>	<u>\$ 4,558,781</u>

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULES
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

WEATHERIZATION ASSISTANCE

Grant Period: July 1, 2020 to September 30, 2021 - LIEAP

Grant Number: DPHHS 20-028-16007-0

	----LIEAP----	
	Budget	Actual
REVENUE		
Grant	\$ 401,531	229,359
Misc Income - FFCRA Credit	-	930
Total Revenue	\$ 401,531	230,289
EXPENSES		
Administration	\$ 27,710	25,554
Program Support	249,388	204,736
Total Expenses	\$ 277,098	230,289
Revenue Over/Under Expenses	\$ 124,433	(1)
Transfer In		\$ 1
Net Assets at July 1, 2020		\$ 0
Net Assets at September 30, 2021		\$ 0

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULES
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

WEATHERIZATION ASSISTANCE

Grant Period: July 1, 2021 to June 30, 2022 - DOE

Grant Number: DPHHS 21-028-30027-0

	----DEPT OF ENERGY----	
	Budget	Actual
REVENUE		
Grant	\$ 172,402	136,125
Total Revenue	\$ 172,402	136,125
EXPENSES		
Administration	\$ 24,427	23,056
Program Operations	103,741	89,243
Liability Insurance	8,400	715
Financial Audit	1,300	1,432
Training & Technical Assistance	16,000	15,973
Health & Safety	18,534	12,578
Total Expenses	\$ 172,402	142,997
Revenue over/under expenses	\$ -	(6,872)
Transfer In		\$ 6,872
Net Assets at July 1, 2021		\$ 0
Net Assets at June 30, 2022		\$ 0

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

LIEAP ADMINISTRATION PROGRAM

Grant Period: October 1, 2019 to September 30, 2021 - ADMIN

Grant Number: DPHHS 20-028-13007-0

	----LIEAP ADMIN----	
	Budget	Actual
REVENUE		
Grant	\$ 77,807	77,807
Total Revenue	\$ 77,807	77,807
EXPENSES	\$ 77,807	
Salaries and Fringe Benefits		72,198
Supplies		1,180
Communication		252
Space Costs		2,138
Training		52
Office Costs		1,987
Direct Services		0
Total Expenses	\$ 77,807	77,807
Revenue Over/Under Expenses		\$ 0
Net Assets at October 1, 2019		\$ 0
Net Assets at September 30, 2021		\$ 0

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

LOW INCOME ENERGY ASSISTANCE PROGRAM

Grant Period: November 11, 2020 to November 2, 2021 - Contingency Revolving Fund (CRF)

Grant Number: DPHHS 21-028-13007-0

	----LIEAP CRF---- Actual
REVENUE	
Grant	\$ 108,452
Total Revenue	\$ 108,452
EXPENSES	
Direct Services	\$ 108,452
Total Expenses	\$ 108,452
Revenue Over/Under Expenses	\$ -
Net Assets at October 1, 2020	\$ 0
Net Assets at September 30, 2022	\$ 0

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

LIEAP CLIENT EDUCATION & OUTREACH PROGRAM

Grant Period: October 1, 2019 to September 30, 2021 - CLIENT ED
 October 1, 2019 to September 30, 2021 - OUTREACH

Grant Number: DPHHS 20-028-13007-0

	----CLIENT ED----		----OUTREACH----	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
REVENUE				
Grant	\$ 38,557	38,557	35,437	35,437
Total Revenue	<u>\$ 38,557</u>	<u>38,557</u>	<u>35,437</u>	<u>35,437</u>
EXPENSES				
Salaries & Fringe Benefits		\$ 36,752		31,266
Communications		174		120
Space Costs		1,630		1,419
Travel		0		-
Office Costs		-		2,632
Total Expenses	<u>\$ -</u>	<u>38,557</u>	<u>-</u>	<u>35,437</u>
Revenue Over/Under Expenses		\$ 0		0
Net Assets at October 1, 2019		<u>\$ 0</u>		<u>0</u>
Net Assets at September 30, 2021		<u><u>\$ 0</u></u>		<u><u>0</u></u>

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

NORTHWESTERN ENERGY WEATHERIZATION PROGRAM

Grant Period: January 1, 2021 to December 10, 2021

Grant Number: DPHHS 21-028-33007-0

	Budget	Actual
REVENUE		
Grant	\$ 556,533	205,243
Total Revenue	\$ 556,533	205,243
 EXPENSES		
NWE Program Overhead	\$ 198,004	102,622
NWE Health and Safety	\$ 62,743	19,211
NWE Program Operations	295,786	84,738
Total Expenses	\$ 556,533	206,571
 Revenue Over/Under Expenses	\$ 0	(1,328)
 Transfer In		\$ 1,328
 Net Assets at January 1, 2021		\$ 0
 Net Assets at December 10, 2021		\$ 0

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

ENERGY SHARE

Grant Period: July 1, 2021 to June 30, 2022

Grant Number: FY 2021-22

	Actual
REVENUE	
General Energy Funds	\$ 5,477
USB Funds	37,517
Energy Deposits	2,040
TEAM: Deposits Minor Needs	202
TEAM: Temporary Energy Assist for Minor Needs	85
Total Revenues	\$ 45,321
EXPENSES	
Energy Assistance	\$ 2,670
Energy Assistance - USB	34,107
Energy Assistance - Deposits	2,540
Energy Assistance - TEAM Minor Needs	85
Energy Assistance - TEAM Deposits Minor Needs	210
Administration	15,254
Total Expenses	\$ 54,867
Revenue Over/Under Expenses	\$ (9,546)
Transfer In/Out	\$ 8,363
Net Assets at July 1, 2021	\$ 13,474
Net Assets at June 30, 2022	\$ 12,291

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

SUPPLEMENTAL WEATHERIZATION ASSISTANCE

Grant Period: July 1, 2021 to June 30, 2022 - ESOM

	Actual
REVENUE	
Energy Share Fees / Reimbursement	\$ 1,561
Contract Income	234
Total Revenue	\$ 1,795
EXPENSES	
Labor and Materials	\$ 712
Subcontractor Services	848
Total Expenses	\$ 1,560
Revenue over/under expenses	\$ 234
Transfer Out	(234)
Net Assets at July 1, 2021	\$ 0
Net Assets at June 30, 2022	\$ 0

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

LISC CAPACITY

Grant Period: October 1, 2019 to September 30, 2021

Grant Number: LISC 41189-0047

	Budget	Actual
REVENUE		
Grant	\$ 36,000	33,000
Total Revenue	\$ 36,000	33,000
EXPENSES		
Salary and Fringe Benefits	\$ 26,727	29,727
Travel	6,000	-
Administration	3,273	10,888
Total Expenses	\$ 30,000	40,615
Revenue Over/Under Expenses	\$ 6,000	(7,615)
Transfer In		\$ 7,615
Net Assets at October 1, 2019		\$ 0
Net Assets at September 30, 2021		\$ 0

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

HEALTHY HOUSING - HOUSING FIRST VILLAGE

Grant Period: July 1, 2020 to October 31, 2021 - LISC

Grant Number: LISC 41189-0046

	----LISC----	
	Budget	Actual
REVENUE		
Grant	\$ 16,800	16,800
Total Revenue	\$ 16,800	16,800
EXPENSES		
Salaries and Fringe Benefits	\$ 15,127	15,127
Administration	1,673	5,325
Total Expenses	\$ 16,800	20,453
Revenue Over/Under Expenses	\$ -	(3,653)
Transfer In		\$ 3,653
Net Assets at July 1, 2020		\$ 0
Net Assets at October 31, 2021		\$ 0

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

LISC DIGITAL NAVIGATION

Grant Period: July 1, 2021 to April 30, 2022

Grant Number: LISC 41189-0044

	Budget	Actual
REVENUE		
Grant	\$ 19,500	19,500
Total Revenue	\$ 19,500	19,500
EXPENSES		
Salary and Fringe Benefits	10,000	11,276
Devices for clients/internet subsidy	8,000	4,496
Organizational equipment purchases	\$ 1,500	3,528
Total Expenses	\$ 19,500	\$ 19,301
Revenue Over/Under Expenses	\$ -	199
Net Assets at July 1, 2021		\$ 0
Net Assets at April 30, 2022		\$ 199

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

SECTION 8 HOUSING PROGRAM

Grant Period: July 1, 2021 to June 30, 2022

Grant Number: MT DOC 21-745-0006
 MT DOC 21-745-0006 - CARES

	Actual
REVENUE	
MDOC Contract Income	\$ 241,383
Other Income	-
Total Revenue	\$ 241,383
EXPENSES	
Salaries & Fringe Benefits	\$ 195,324
Travel & Training	1,140
Space	7,778
Office Costs	6,859
Insurance	1,504
Communications	1,164
Other	-
Total Expenses	\$ 213,769
Revenue Over/Under Expenses	\$ 27,614
Net Assets at July 1, 2021	\$ 46,303
Net Assets at June 30, 2022	\$ 73,917

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

HOME TO STAY - EMERGENCY SERVICES

Report Period: July 1, 2021 to June 30, 2022

Grant Number: NeighborWorks MT (NWMT)

City of Bozeman - COVID
 April 1st, 2021 to March 31st, 2022

	Actual
REVENUE	
Private Grant Revenue	\$ 42,250
Donations	1,040
MHN / NWMT	63,003
City of Bozeman	162,000
Total Revenues	\$ 268,293
EXPENSES	
Prevention of Homelessness	\$ 113,716
Salaries & Fringe Benefits	263,797
Supportive Services	12,275
Office Expenses	20,320
Other Expenses	126
Total Expenses	\$ 410,234
Revenue Over/Under Expenses	\$ (141,941)
Transfer In	\$ 137,376
Transfer Out	\$ (1,477)
Net Assets at July 1, 2021	\$ 6,091
Net Assets at June 30, 2022	\$ 49

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

RYAN WHITE PART B HIV CARE

Grant Period: October 1, 2020 to September 29, 2021

Grant Number: 21-07-4-51-310-0-2

	Budget	Actual
REVENUES		
Grant	\$ 33,575	32,550
Total Revenues	\$ 33,575	32,550
EXPENSES		
Rental Assistance		\$ 29,758
Security Deposit Assistance		-
Case Management		1,280
Administration		3,016
Total Expenses		\$ 34,054
Revenue Over/Under Expenses		\$ (1,504)
Transfer In/Out		\$ 1,504
Net Assets at October 1, 2020		\$ -
Net Assets at September 29, 2021		\$ -

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

MONTANA HEALTHCARE FOUNDATION - PERMANENTLY SUPPORTIVE HOUSING

Report Period: April 1, 2020 to April 30, 2022

Grant: Partnerships for Permanently Supportive Housing phase 2

	Actual
REVENUE	
Private Grant Revenue	\$ 116,927
Total Revenues	\$ 116,927
EXPENSES	
Salaries & Fringe Benefits	\$ 70,828
Contract Services	29,780
Communications	172
Insurance	235
Office Expenses	2,746
Audit	354
Training	1,615
Total Expenses	\$ 105,730
Revenue Over/Under Expenses	\$ 11,198
Transfer Out	\$ (11,198)
Net Assets at April 1, 2020	\$ 0
Net Assets at April 30, 2022	\$ 0

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

RAPID RE-HOUSING

Grant Period: July 1, 2021 to June 30, 2022

Grant Number: HUD MT0055L8T002005

	Budget	Actual
REVENUE		
Grant	\$ 125,089	122,507
Donations		
Total Revenues	\$ 125,089	122,507
EXPENSES	\$ 125,089	
Rental Assistance		94,872
Security Deposit Assistance		8,432
Utilities Assistance		1,082
Case Management		10,327
Administration		18,191
Total Expenses	\$ 125,089	\$ 132,905
Revenue Over/Under Expenses		(10,397)
Transfer In		10,397
Net Assets at July 1, 2021		\$ 0
Net Assets at June 30, 2022		\$ 0

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

WARMING CENTER

Report Period: July 1, 2021 to June 30, 2022

Grant Number: DPHHS 21-331-74081-0 Mental Health Drop-In Center

	Actual
REVENUE	
Donations	\$ 272,702
Federal Grant	96,115
City of Bozeman	103,680
Private Grant	13,004
Fund Raising	13,397
Total Revenues	\$ 498,899
EXPENSES	
Salaries & Fringe Benefits	\$ 516,985
Contract Services	3,393
Rent	129,223
Travel & Training	3,051
Supplies	32,647
Furniture, Fixtures & Equipment	47,619
Communications	4,532
Office Costs	4,550
Supportive Services	461
Other	-
Utilities	26,062
Maintenance & Repairs	21,449
Fund Raising	2,423
Insurance	7,367
Taxes	18,977
Audit	1,620
Legal	495
Total Expenses	\$ 820,853
Revenue Over/Under Expenses	\$ (321,954)
Transfer In	280,808
Transfer Out	(26,077)
Net Assets at July 1, 2021	\$ 97,573
Net Assets at June 30, 2022	\$ 30,349

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

LIVINGSTON WARMING CENTER

Report Period: July 1, 2021 to June 30, 2022

	Actual
REVENUE	
Donations	\$ 84,493
Private Grant Revenue	15,000
Total Revenues	\$ 99,493
EXPENSES	
Salaries & Fringe Benefits	\$ 163,825
Rent	6,076
Travel & Training	596
Supplies	13,515
Communications	369
Other	400
Maintenance & Repairs	684
Fund Raising	149
Insurance	1,081
Amortization	2,548
Audit	560
Total Expenses	\$ 189,803
Revenue Over/Under Expenses	\$ (90,310)
Transfer In	\$ 86,258
Net Assets at July 1, 2021	\$ 2,475
Net Assets at June 30, 2022	\$ (1,577)

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

GALLATIN VALLEY FOOD BANK

Report Period: July 1, 2021 to June 30, 2022

	Actual
REVENUE	
Contributions:	
Food *	\$ 2,618,948
United Way	2,000
Gallatin County Senior Mill Levy	10,500
Other	1,049,327
Fund Raising	367,044
Other Grant Revenue	12,000
Other Income	4,600
Total Revenues	\$ 4,064,418
EXPENSES	
Salaries & Fringe Benefits	\$ 742,426
Travel & Training	3,477
Warehouse Space	14,475
Communication	3,976
Utilities, Garbage, Snow Removal	16,296
Fund Raising	9,697
Outreach/Public Relations	875
Vehicle	15,708
Repairs & Maintenance	7,602
Supplies	10,022
Insurance	22,022
Food Purchases	53,001
Food Distributions *	2,580,334
Office costs	13,139
Audit	4,025
Interest Expense	2,565
Meat Processing	-
Depreciation Expense	29,523
Other	2,948
Total Expenses	\$ 3,532,112
Revenue Over/Under Expenses	\$ 532,306
Transfer Out	(30,000)
Transfer Out of Reserve for New Building	(958,384)
Transfer In	
From: Huffing For Stuffing	37,103
Net Assets at July 1, 2021	\$ 2,434,824
Net Assets at June 30, 2021	\$ 2,015,849

* Food Contributions In-Kind valued at \$1.79 per pound

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

GALLATIN VALLEY FOOD BANK - SENIOR CFSP

Report Period: October 1, 2020 to September 30, 2021

Grant Number: DPHHS 20-027-21002-0

	Actual
REVENUE	
Fund Raising	40
Senior Food Contract Income	164,145
Contributions	12,504
Total Revenues	\$ 176,689
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	\$ 171,300
Revenue Over/Under Expenses	\$ 5,389
Transfer In	5,000
Net Assets at October 1, 2020	\$ 20,108
Net Assets at September 30, 2021	\$ 30,497

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

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
For the Years Ended June 30, 2022 and 2021

FORK AND SPOON HOMESTYLE KITCHEN

Report Period: July 1, 2021 to June 30, 2022

	<u>Dining & Facility</u>	<u>Catering</u>	<u>Spork</u>
REVENUES			
Donations	\$ 155,675	11,450	2,808
Meals Service (Net of Discounts)	182,385		50,390
Catering & Space Rental		166,020	
Fund Raising	1,320		
Kitchen Rental Fees	4,200	19,406	
Catering Private Grant		1,212	2,000
Total Revenues	<u>\$ 343,580</u>	<u>198,088</u>	<u>55,198</u>
EXPENSES			
Salaries & Fringe Benefits	\$ 271,804	77,716	33,495
Contract Services	4,000		297
Parking Lot Space	13,200		
Travel & Training	1,824	217	16
Communications	2,648		533
Utilities, Garbage, Grounds Maintenance	20,324		
Fund Raising	1,888		
Outreach / Public Relations	440	82	303
Vehicle	498	35	2,535
Equipment	1,200	110	308
Repairs & Maintenance	19,560	111	1,214
Supplies	9,774	8,654	2,418
Insurance	7,855		
Food Purchases	66,187	44,215	20,851
Food Distributed from In-Kind Donations*	36,933		
Office Costs	2,316	126	1,424
Audit	3,914		
Legal	1,879		
Interest Expense	5,646		
Depreciation Expense	11,880		
Taxes	856		
Other	203		104
Total Expenses	<u>\$ 484,830</u>	<u>131,266</u>	<u>63,498</u>
Revenue Over/Under Expenses	\$ (141,250)	66,822	(8,299)
Transfers In	56,978	-	15,444
Catering & Spork Applied to F&S Operations	73,967	(66,822)	(7,145)
Net Assets at July 1, 2021	<u>\$ (236,280)</u>	<u>-</u>	<u>-</u>
Net Assets at June 30, 2022	<u>\$ (246,585)</u>	<u>-</u>	<u>-</u>

* Food Distributions In-Kind valued at \$1.79 per pound

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

HEALTHY KIDSPACK PROGRAM

Report Period: July 1, 2021 to June 30, 2022

	Actual
REVENUE	
Private Grant Revenue	\$ 15,000
Fund Raising	5,545
Donations	53,109
Restricted Donations	-
Total Revenues	\$ 73,654
EXPENSES	
Salaries & Fringe Benefits	\$ 35,116
Fund Raising	1,433
Supplies	872
Insurance	309
Food Purchases	45,496
Office Costs	395
Audit	646
Contract Services	85
Total Expenses	\$ 84,353
Revenue Over/Under Expenses	\$ (10,699)
Net Assets at July 1, 2021	\$ 136,380
Net Assets at June 30, 2022	\$ 125,681

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

SUMMER LUNCH PROGRAM

Grant Period: October 1, 2020 to September 30, 2021

Grant Number: MT OPI 16-6512

	Actual
REVENUE	
Earned Federal Revenue	\$ 109,399
Donations	5,006
Total Revenue	\$ 114,405
EXPENSES	
Salaries & Fringe Benefits	\$ 47,968
Contract Services	7,000
Food Purchases	38,220
Insurance	165
Office Costs	304
Outreach	2,023
Supplies	2,231
Audit	503
Travel & Training	50
Total Expenses	\$ 98,463
Revenue Over/Under Expenses	\$ 15,942
Transfer In	835
Net Assets at October 1, 2020	\$ 5,100
Net Assets at September 30, 2021	\$ 21,877

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

HEADWATERS AREA FOOD BANK

Report Period: July 1, 2021 to June 30, 2022

	Actual
REVENUE	
Contributions:	
Food *	\$ 104,080
Other	120,190
Fund Raising	1,735
Total Revenues	\$ 226,005
EXPENSES	
Salaries & Fringe Benefits	\$ 76,109
Travel & Training	243
Communications	1,847
Rent	200
Utilities, Garbage, Snow Removal	4,879
Fund Raising	1,724
Equipment & Supplies	3,508
Depreciation	4,631
Repairs & Maintenance	1,054
Insurance	1,852
Food Purchases	13,326
Food Distributions *	141,908
Office Costs	928
Outreach	80
Audit	1,100
Taxes	2,854
Other	520
Total Expenses	\$ 256,763
Revenue Over/Under Expenses	\$ (30,758)
Transfer In	\$ 75,729
Net Assets July 1, 2021	\$ 166,094
Net Assets at June 30, 2022	\$ 211,065

* Food Contributions In-Kind valued at \$1.79 per pound

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

BIG SKY COMMUNITY FOOD BANK

Report Period: July 1, 2021 to June 30, 2022

	Actual
REVENUE	
Contributions:	
Donations	\$ 604,084
Food *	76,480
Big Sky Resort Tax District	48,000
Private Grant	81,000
Fund Raising	3,867
Misc Revenue	177
Total Revenues	\$ 813,609
EXPENSES	
Salaries & Fringe Benefits	\$ 116,577
Contract Services	406
Travel & Training	847
Communications	4,490
Space Rental	29,112
Utilities, Garbage, Snow Removal	4,742
Outreach/Public Relations	1,958
Vehicle	882
Equipment & Supplies	5,133
Repairs & Maintenance	1,723
Insurance	2,084
Food Purchases	18,142
Food Distributions *	74,657
Office Costs	5,132
Fund Raising	1,897
Audit	1,035
Meat Processing	-
Other	-
Total Expenses	\$ 268,818
Revenue Over/Under Expenses	\$ 544,792
Transfer In	\$ 5,123
Net Assets at July 1, 2021	\$ 128,854
Net Assets at June 30, 2022	\$ 678,769

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

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

IN HOME SERVICES

Grant Period: July 1, 2021 to June 30, 2022

Grant Number: Area IV Agency on Aging 2022-004-013 (Gallatin County)

	Budget	Actual
REVENUE		
Title III Revenue	\$ 52,766	52,385
Title III Revenue - Respite	22,433	22,679
Donations	67	
Other Grant Revenue		19,862
Total Revenues	\$ 75,266	94,926
EXPENSES		
Salaries & Fringe Benefits	\$ 71,751	98,932
Supplies	500	355
Communications	250	640
Travel & Training	1,250	1,894
Insurance	1,015	1,371
Audit	250	617
Other - Program Support	250	241
Total Expenses	\$ 75,266	104,051
Revenue Over/Under Expenses	\$ 0	\$ (9,125)
Transfer In		\$ 9,125
Net Assets at July 1, 2021		\$ 37,431
Net Assets at June 30, 2022		\$ 37,431

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

IN HOME SERVICES - CARES

Grant Period: July 1, 2021 to December 31, 2021

Grant Number: Area IV Agency on Aging 2022-004-013 (Gallatin County)

	Budget	Actual
REVENUE		
Title III Revenue	\$ 1,734	1,734
Title III Revenue - Respite	\$ 3,702	3,702
Total Revenue	\$ 5,436	5,436
EXPENSES		
Salaries & Fringe Benefits	\$ 5,436	5,498
Total Expenses	\$ 5,436	5,498
Revenue Over/Under Expenses	\$ 0	(62)
Transfer In		\$ 62
Net Assets at July 1, 2021		\$ 0
Net Assets at December 31, 2021		\$ 0

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

IN HOME SERVICES - PARK COUNTY

Grant Period: July 1, 2021 to June 30, 2022

Grant Number: Area IV Agency on Aging 2022-004-013 (Park County)

	Budget	Actual
REVENUE		
Title III Revenue	\$ 24,500	24,500
Title III Revenue - Respite	13,300	19,794
Donations		4,000
Total Revenues	\$ 37,800	48,294
EXPENSES		
Salaries & Fringe Benefits	\$ 35,350	59,420
Supplies	500	212
Communications	250	-
Travel & Training	750	507
Building Space	-	187
Insurance	750	849
Audit	200	462
Total Expenses	\$ 37,800	61,638
Revenue Over/Under Expenses	\$ 0	\$ (13,344)
Transfer In		7,000
Net Assets at July 1, 2021		\$ 8,674
Net Assets at June 30, 2022		\$ 2,330

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

IN HOME SERVICES - CARES - PARK COUNTY

Grant Period: July 1, 2021 to December 31, 2021

Grant Number: Area IV Agency on Aging 2022-004-013 (Park County)

	Budget	Actual
REVENUE		
Title III Revenue	\$ 1,500	1,500
Title III Revenue - Respite	\$ 3,706	3,706
Total Revenue	\$ 5,206	5,206
EXPENSES		
Salaries & Fringe Benefits	\$ 5,206	5,285
Total Expenses	\$ 5,206	5,285
Revenue Over/Under Expenses	\$ 0	(79)
Transfer In		\$ 79
Net Assets at July 1, 2021		\$ 0
Net Assets at December 31, 2021		\$ 0

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

SENIOR REACH

Grant Period: July 1, 2021 to June 30, 2022

Grant Number: Area IV Agency on Aging 2022-004-013

	Budget	Actual
REVENUE		
Federal Grant	\$ 41,500	27,234
State Grant	5,000	5,000
Other Income	1,000	1,000
Total Revenue	\$ 47,500	33,234
EXPENSES		
Salaries & Fringe Benefits	\$ 32,700	27,591
Supplies	1,500	77
Communications		102
Travel & Training	1,000	
Building Space	7,000	4,635
Insurance		309
Audit		221
Other	5,300	5,300
Total Expenses	\$ 47,500	38,234
Revenue Over/Under Expenses	\$ 0	(5,000)
Transfer In		\$ 5,000
Net Assets at July 1, 2021		\$ 0
Net Assets at June 30, 2022		\$ 0

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

SENIOR REACH - CARES

Grant Period: July 1, 2021 to December 31, 2021

Grant Number: Area IV Agency on Aging 2022-004-013

	Budget	Actual
REVENUE		
Federal Grant	\$ 10,000	10,000
Total Revenue	\$ 10,000	10,000
EXPENSES		
Salaries & Fringe Benefits	\$ 10,000	9,514
Communications		21
Building Space		496
Total Expenses	\$ 10,000	10,031
Revenue Over/Under Expenses	\$ 0	(31)
Transfer In		\$ 31
Net Assets at July 1, 2021		\$ 0
Net Assets at December 31, 2021		\$ 0

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

STATE HEALTH INSURANCE PROGRAM (SHIP) - INFORMATION & ASSISTANCE

Grant Period: July 1, 2021 to June 30, 2022

Grant Number: Area IV Agency on Aging 2022-004-013

	Budget	Actual
REVENUE		
Federal	\$ 50,000	50,000
Other Income	6,700	-
Total Revenue	\$ 56,700	50,000
EXPENSES		
Salaries & Fringe Benefits	\$ 47,750	48,999
Supplies	250	188
Communications	500	274
Travel & Training	1,000	561
Building Space	5,000	4,724
Insurance	500	618
Audit	200	372
Other	1,500	204
Total Expenses	\$ 56,700	55,940
Revenue Over/Under Expenses	\$ 0	(5,940)
Transfer In		\$ 5,940
Net Assets at July 1, 2021		\$ 0
Net Assets at June 30, 2022		\$ 0

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

STATE HEALTH INSURANCE PROGRAM (SHIP) - INFORMATION & ASSISTANCE

Grant Period: July 1, 2021 to December 31, 2021

Grant Number: Area IV Agency on Aging 2022-004-013

	Budget	Actual
REVENUE		
Federal	\$ 25,000	25,000
Total Revenue	\$ 25,000	25,000
EXPENSES		
Salaries & Fringe Benefits	\$ 25,000	25,113
Total Expenses	\$ 25,000	25,113
Revenue Over/Under Expenses	\$ 0	(113)
Transfer In		\$ 113
Net Assets at July 1, 2021		\$ 0
Net Assets at December 31, 2021		\$ 0

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
For the Years Ended June 30, 2022 and 2021

RETIRED SENIOR VOLUNTEER PROGRAM

Grant Period: April 1, 2021 to March 31, 2022

Grant Number: CNCS 21SRDMT002 (Year 1)
Area IV Agency on Aging (Title III) 2021-004-013

	Budget	Actual	In-Kind	Excess Non-Federal Share
REVENUE				
Federal Grant	\$ 86,161	86,161		
Federal Grant - ARPA	50,000	20,300		
Gallatin County Senior Mill Levy	11,000	11,000		
Title III Grant	10,000	2,675		
Donations	62,097	4,605		5,299
United Way		14,906		
Other Grant Revenue	19,500	11,000		
In-Kind	15,000		12,304	
Total Revenues	<u>\$ 253,758</u>	<u>150,648</u>	<u>12,304</u>	<u>5,299</u>
EXPENSES				
Personnel Expense				
Project Director	\$ 52,073	54,596		4,600
Program Coordinators	61,565	23,163		
Senior Reach Program Manager	15,616	27,474		
Fiscal Staff	8,750	9,600		
Executive	6,250	5,550		
Personnel	6,250	9,571		
Receptionists	3,750	2,106		
Fringe Benefits	29,109	29,349		699
Agency-wide Insurance		1,102		
Local Travel	2,000	220		
Long Distance Travel	2,500	69		
Supplies	6,000	1,659		
Senior Reach Licensing Fee	5,200	5,300		
Communications	3,000	2,011		
Printing		38	2,610	
Space	24,694	13,850	9,694	
Audit	714	930		
Outreach	3,548	-		
Other	1,350	75		
Meals	1,000	274		
Insurance	1,400	1,173		
Travel	3,150	-		
Supplies	500	355		
Recognition	15,339	5,483		
Total Expenses	<u>\$ 253,758</u>	<u>193,948</u>	<u>12,304</u>	<u>5,299</u>
Revenue Over/Under Expenses	<u>\$ 0</u>	(43,300)	0	0
Transfer In		\$ 32,389		
Net assets at April 1, 2021		<u>\$ 10,911</u>		
Net assets at March 31, 2022		<u>\$ 0</u>		

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

SENIOR MEDICARE PATROL

Grant Period: June 1, 2021 to May 31, 2022

Grant Number: Area XI Agency on Aging MOU

	Budget	Actual
REVENUE		
Grant	\$ 9,537	9,537
Total Revenue	\$ 9,537	9,537
EXPENSES		
Salaries & Fringe Benefits	\$ 9,537	9,480
Travel & Training		-
Space		982
Total Expenses	\$ 9,537	10,462
Revenue Over/Under Expenses	\$ 0	\$ (925)
Transfer Out		\$ -
Transfer In		\$ 1,384
Net Assets at June 1, 2021		\$ 1,000
Net Assets at May 31, 2022		\$ 1,459

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

SHERWOOD SERVICE COORDINATOR

Grant Period: January 1, 2021 to December 31, 2021

Grant Number: MFSC179734-01-05

	Budget	Actual
REVENUE		
Grant	\$ 33,020	28,329
Total Revenue	\$ 33,020	28,329
EXPENSES		
Salaries & Fringe Benefits	\$ 31,340	29,944
Travel & Training	1,298	500
Other	382	559
Total Expenses	\$ 33,020	31,003
Revenue Over/Under Expenses	\$ 0	(2,673)
Transfer In from Sherwood Inn Apts		\$ 2,673
Net Assets at January 1, 2021		\$ 0
Net Assets at December 31, 2021		\$ 0

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
For the Years Ended June 30, 2022 and 2021

GALAVAN / SENIOR TRANSPORTATION

Grant Period: July 1, 2021 to June 30, 2022

Grant Names: MT DOT 111298 - Section 5311 Operating
 MT DOT - TransAde

	Budget	Actual
REVENUE		
Title III Revenue	\$ 21,400	21,400
ParaTransit Contract - Streamline	187,000	213,181
MT DOT Transade	109,193	109,193
Local Revenue		
Friends of Galavan	3,500	7,500
Gallatin County	90,000	90,000
City of Bozeman	143,000	143,000
City of Belgrade	20,000	10,000
HRDC Greatest Needs	25,000	25,000
Rider Donations	15,000	5,634
Contributions	2,000	47,155
Storage Space Rental Income	5,000	2,896
Investment Income/Other	10,500	13
Contract Income-Headstart/Family Promise	5,000	-
Other	-	-
Total Revenues	\$ 636,593	674,972
EXPENSES		
Salaries & Fringe Benefits	\$ 44,000	424,260
HRDC Admin. Cost Allocations	60,000	66,016
Gas & Oil	55,000	69,290
Repairs & Maintenance	40,000	36,702
Insurance	18,000	26,062
Bus Barn Operating Costs	5,000	6,399
Travel & Training	2,500	753
Advertising/PR	1,500	3,076
Cleaning	-	36,826
Supplies	3,500	4,144
Communications	4,500	3,588
Audit	1,000	1,587
Other (incl RM software)	5,000	6,031
Equipment-Other	500	738
Equipment-Vehicles	-	-
Total Expenses	\$ 240,500	685,472
Revenue Over/Under Expenses	\$ 396,093	(10,500)
Transfer In - Smyth Interest Income		\$ 10,500
Net Assets at July 1, 2021		\$ 276,869
Net Assets at June 30, 2022		\$ 276,869

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
For the Years Ended June 30, 2022 and 2021

STREAMLINE BUS / PUBLIC TRANSPORTATION

Grant Period: July 1, 2021 to June 30, 2022

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	\$ 1,259,039	1,259,039	
MT DOT Capital Grant	-		-
Local Revenue			
Associated Students of MSU	280,000	167,724	
Contract Income	101,000	-	
City of Bozeman	400,000	400,000	
Bozeman Health	20,000	20,000	
City of Belgrade	20,000	20,000	
Gallatin County	-	-	50,000
Montana State University	225,000	281,054	
Investment Income/Other	2,000	-	
Storage Space Rental Income	14,000	7,830	
Contributions	1,000	6,019	
Insurance Revenue	-	-	
Total revenues	<u>\$ 2,322,039</u>	<u>2,161,666</u>	<u>50,000</u>
EXPENSES			
Salaries & Fringe Benefits	\$ 195,000	180,631	
HRDC Admin Cost Allocations	91,000	95,161	
Contract Services	1,368,226	936,710	
Gas & Oil	210,000	163,265	
Repairs & Maintenance	170,000	125,638	
Insurance	145,000	185,331	
Bus Barn Operating Costs	13,000	17,806	
Parking Garage Cleaning/Security	15,000	21,306	
Travel & Training	8,000	2,770	
Advertising/PR & Outreach	60,000	66,049	
Supplies	5,000	4,470	
Communications	8,000	8,974	
Audit	2,000	2,348	
Other	2,000	1,175	
Equipment - Other	1,000	54,439	
Equipment - Vehicles	-	-	-
Equipment - Vehicle Wraps	-	15,117	
Equipment - GPS Tracking Software	20,000	22,772	
Bus Shelters/Street Furniture	-	3,282	
Transportation Development Plan	-	-	216,957
Total Expenses	<u>\$ 2,313,226</u>	<u>1,907,244</u>	<u>216,957</u>
Revenue Over/Under Expenses	<u>\$ 8,813</u>	254,422	(166,957)
Operating Funds Applied to Capital		\$ (166,957)	166,957
Net Assets at July 1, 2021		<u>\$ 747,962</u>	<u>0</u>
Net Assets at June 30, 2022		<u>\$ 835,427</u>	<u>0</u>

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

WORKFORCE INNOVATION & OPPORTUNITY ACT - YOUTH

Grant Period: July 1, 2021 to June 30, 2022

Grant Name: DLI19-0024K_G / DLISFY20CONWSD_102_5

			Modification #1	
	Budget	Actual	Budget	Actual
REVENUE				
Grant	\$ 173,811	173,811	25,353	25,353
Other Income	0	0	0	0
Total Revenues	<u>\$ 173,811</u>	<u>173,811</u>	<u>25,353</u>	<u>25,353</u>
EXPENSES				
In-School	\$ 43,453	17,055	4,363	3,884
Out-of-School	130,358	156,854	20,990	21,497
Total Expenses	<u>\$ 173,811</u>	<u>173,909</u>	<u>25,353</u>	<u>25,381</u>
Revenue Over/Under Expenses	<u>\$ 0</u>	(98)	<u>0</u>	(28)
Transfer In		\$ 98		28
Net Assets at July 1, 2021		<u>\$ 0</u>		<u>0</u>
Net Assets at June 30, 2022		<u>\$ 0</u>		<u>0</u>

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

CHAFEE FOSTER CARE INDEPENDENCE PROGRAM

Grant Period: July 1, 2021 to June 30, 2022

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

	Budget	Actual
REVENUE		
Grant	\$ 109,842	109,842
Other Income		5,000
Total Revenues	\$ 109,842	114,842
EXPENSES		
Salaries & Fringe Benefits	\$ 85,838	92,150
Rent Expenses	3,120	3,120
Administrative	10,984	10,984
Travel & Training	6,000	5,831
Equipment & Supplies	1,200	1,218
Youth Stipends/Support	2,400	2,990
NYTD Survey Incentives	300	150
Insurance	-	813
Total Expenses	\$ 109,842	117,256
Revenue Over/Under Expenses	\$ -	(2,414)
Transfer In		\$ 2,414
Net Assets at July 1, 2021		\$ 0
Net Assets at June 30, 2022		\$ 0

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

CHAFEE FOSTER CARE INDEPENDENCE PROGRAM

Grant Period: September 1, 2021 to September 30, 2021

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

	Budget	Actual
REVENUE		
Grant	\$ 319,542	\$ 319,542
Total Revenues	\$ 319,542	319,542
EXPENSES		
Youth Assistance Payments	\$ 319,542	319,542
Total Expenses	\$ 319,542	319,542
Revenue Over/Under Expenses	\$ -	-
Transfer In		\$ -
Net Assets at September 1, 2021		\$ 0
Net Assets at September 30, 2021		\$ 0

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

UNIVERSITY OF MONTANA INNOVATIONS GRANT

Grant Period: February 1, 2021 to September 30, 2021

Grant Number: DPHHS PG21-63183-03

	Budget	Actual
REVENUE		
Grant	\$ 80,055	80,055
Misc Income		1,055
Total Revenue	\$ 80,055	81,110
EXPENSES		
Staff	\$ 67,585	81,650
Supportive Services Diversion Incentives	2,200	-
Outreach / Communications / Marketing	698	303
Equipment for Staff Computers	3,000	-
Admin / Printing / Space	1,000	1,428
Travel	500	-
Facilities	540	-
Indirect Costs	4,532	1,754
Total Expenses	\$ 80,055	85,135
Revenue Over/Under Expenses	\$ -	(4,025)
Transfer In		\$ 4,025
Net Assets at February 1, 2021		\$ 0
Net Assets at September 30, 2021		\$ 0

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

BLUEPRINT - YOUTH TRANSITIONAL LIVING HOUSE

Report Period: July 1, 2021 to June 30, 2022

	Actual
REVENUE	
Donations	\$ 55,064
Fund Raising Income	6,100
Misc Income	2,471
Total Revenues	\$ 63,635
EXPENSES	
Salaries & Fringe Benefits	\$ 91,113
Youth Stipends/Support	2,063
Utilities & Phone	9,022
Maintenance & Repairs	4,863
Supplies/Office Costs	1,654
Travel & Training	947
Legal & Audit	1,456
Insurance	1,330
Taxes	802
Interest Expense	20,314
Depreciation	22,939
Other Expenses	659
Total Expenses	\$ 157,162
Revenue Over/Under Expenses	\$ (93,527)
Transfers In	
General	\$ 10,922
Greatest Needs	14,802
YHDP Support	8,417
Net Assets at July 1, 2021	\$ 24,116
Net Assets at June 30, 2022	\$ (35,270)

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

HEAD START PROGRAM

Grant Period: April 1, 2021 to March 31, 2022

Grant Number: HHS 08CH010871-03-00

	Budget	Actual	In-Kind
REVENUE			
Grant	\$ 1,685,716	1,685,716	
USDA Child & Adult Care Food Pgm	85,000	67,472	
State of MT Childcare	45,244	50,709	
Childcare Stabilization Grant	-	10,413	
Other Income	7,000	18,607	
In-kind	416,409		131,831
Total Revenues	\$ 2,239,369	\$ 1,832,917	131,831
EXPENSES			
Salary & Fringe Benefits	\$ 1,521,284	1,120,247	
Fringe Benefits	-	357,399	
Travel/Training	27,200	27,017	
Supplies	64,820	41,087	
Contract Services	18,000	16,569	
Other	191,656	270,598	
In-kind Expenses	416,409		131,831
Total Expenses	\$ 2,239,369	1,832,917	131,831
Revenue Over/Under Expenses	\$ 0	0	0
Net Assets at April 1, 2021		\$ 0	0
Net Assets at March 31, 2022		\$ 0	0

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

HEAD START PRIVATE PAY PROGRAM

Program Period: September 1, 2021 to June 30, 2022

	Budget	Actual
REVENUE		
Contract Income	\$ 85,000	3,988
Other Income	\$ 10,000	10,000
Grant	\$ -	6,156
Total Revenues	\$ 95,000	\$ 20,144
EXPENSES		
Salaries	\$ 70,000	12,596
Fringe Benefits	\$ -	3,290
Travel/Training	\$ -	430
Supplies	\$ 1,200	1,443
Contract Services	\$ -	120
Other	\$ 23,800	2,265
Total Expenses	\$ 95,000	20,144
Revenue Over/Under Expenses	\$ 0	0
Net Assets at September 1, 2021		\$ 0
Net Assets at June 30, 2022		\$ 0

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

HEAD START FACILITIES

Report Period: For the Year Ended June 30, 2022

	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	\$ 3,152	1,617	7,183
Water, Sewer, & Garbage	2,734	2,294	2,585
Maintenance & Repairs	40,317	17,864	10,801
Janitorial/Grounds	10,014	9,369	12,672
Property Management/Audit	2,000	2,000	2,000
Insurance	1,999	1,741	2,873
Taxes	779	0	107
Interest Expense	0	4,622	19,638
Depreciation	0	1,609	65,965
Total Expenses	<u>\$ 60,995</u>	<u>\$ 41,116</u>	<u>\$ 123,824</u>
Revenue Over/Under Expenses	\$ (28,595)	18,884	(49,424)
Net Assets at July 1, 2021	<u>\$ 28,920</u>	<u>(19,226)</u>	<u>286,031</u>
Net Assets at June 30, 2022	<u>\$ 325</u>	<u>(342)</u>	<u>236,607</u>

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

HEAD START CARES GRANT

Grant Period: April 1, 2021 to March 31, 2023

Grant Number: HHS 08HE00196-01-00

	Budget	Actual
REVENUE		
Grant	\$ 45,747	45,747
Total Revenues	\$ 45,747	\$ 45,747
EXPENSES		
Salaries	\$ 45,747	45,774
Total Expenses	\$ 45,747	45,774
Revenue Over/Under Expenses	\$ 0	(27)
Transfer In		\$ 27
Net Assets at April 1, 2021		\$ 0
Net Assets at March 31, 2022		\$ 0

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
For the Years Ended June 30, 2022 and 2021

ROAD TO HOME - DOWN PAYMENT ASSISTANCE

Report Period: July 1, 2021 to June 30, 2022

Grant Periods: MT Dept of Commerce (HOME) May 18, 2021 to April 30, 2023

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

RTH Lending Pool: July 1, 2006 to June 30, 2022

Grant Number: MT-HOME-HBA-21-03

	HOME Actual	COB Actual	COB AHO Actual	CDBG Pgm Inc Actual	Other Actual	Total Actual
REVENUE						
Grant	\$ 32,500					32,500
Contract Income			6,650			6,650
Homebuyer Loans Repaid	190,999	15,000		40,000		245,999
Appreciation Share Realized	34,545	29,427		73,304		137,276
Total Revenues	<u>\$ 258,045</u>	<u>44,427</u>	<u>6,650</u>	<u>113,304</u>	<u>-</u>	<u>422,425</u>
EXPENSES						
Salaries & Fringe	\$ 3,495		1,190		10,758	15,443
Space	35		56		13	104
Communications	5		2		13	20
Supplies			1,000		885	1,885
Contract Services						-
Insurance					154	154
Audit & Legal					262	262
Travel & Training					15	15
Homebuyer Loan Fees	124					124
Total Expenses	<u>\$ 3,659</u>	<u>-</u>	<u>2,247</u>	<u>-</u>	<u>12,101</u>	<u>18,008</u>
Revenue Over/(Under) expenses	\$ 254,385	44,427	4,403	113,304	(12,101)	404,417
Homebuyer Loans Disbursed	\$ (30,000)	-	-	-	-	(30,000)
Net assets for Operations at July 1, 2021	<u>\$ 54,858</u>	<u>327,153</u>	<u>2,951</u>	<u>34,399</u>	<u>(309,004)</u>	<u>110,357</u>
Net Assets for Lending at July 1, 2021	<u>\$ -</u>	<u>258,992</u>	<u>-</u>	<u>116,702</u>	<u>11,320</u>	<u>387,014</u>
Net Assets for Operations at June 30, 2022	<u>\$ 279,243</u>	<u>331,596</u>	<u>7,354</u>	<u>43,463</u>	<u>(321,105)</u>	<u>340,550</u>
Net Assets for Lending at June 30, 2022	<u>\$ -</u>	<u>298,976</u>	<u>-</u>	<u>220,942</u>	<u>11,320</u>	<u>531,238</u>

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

ROAD TO HOME - HOMEBUYER EDUCATION

Report Period: July 1, 2021 to June 30, 2022

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

MT HomeOwnership Network (MHN)/NeighborWorks MT (NWMT) October 1, 2004 to June 30, 2022

Grant Number: NWMT Housing Counseling and Education Network Partner Agreement

	<u>Actual</u>
REVENUE	
City of Bozeman	\$ 40,000
Contract Income	49,965
Contributions	<u>21,420</u>
Total Revenues	<u>\$ 111,385</u>
EXPENSES	
Salaries & Fringe	\$ 117,853
Space	4,390
Communications	592
Supplies	4,169
Contract Services	811
Insurance	696
Audit & Legal	-
Travel & Training	<u>2,461</u>
Total Expenses	<u>\$ 130,974</u>
Revenue Over/(Under) expenses	\$ (19,589)
Net assets for Operations at July 1, 2021	<u>\$ 167,030</u>
Net Assets for Operations at June 30, 2022	<u><u>\$ 147,441</u></u>

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

RESOURCE PROPERTY MANAGEMENT

Report Period: July 1, 2021 to June 30, 2022

	Actual
REVENUE	
HRDC Owned	
Management fees: Colorado Apts (8 units)	\$ 4,164
Management fees: Cottages @ Menicucci Sq (18 units)	13,130
Management fees: Livingston Village Cottages (12 units)	0
Management fees: Sherwood Inn Apts Inc (1 unit)	922
Management fees: Summit Place Apts (7 units)	4,511
Management fees: West Babcock Apts (24 units)	18,645
Management fees: West Edge Condos (4 units)	2,361
Management fees: HRDC Facilities (14 buildings)	29,600
Third-Party Owned	
Management fees: Antelope Court Apts (30 units)	14,849
Management fees: Big Sky Villas Apts (24 units)	19,296
Management fees: Boulevard Apts LLC (42 units)	21,309
Management fees: Buffalo Court Apts (20 units)	9,974
Management fees: Castle Mountain Apts (10 units)	9,240
Management fees: Darlinton Apts LLC (100 units)	44,251
Management fees: Miles Apts LLC (47 units)	14,880
Management fees: Sherwood Inn Apts LLC (50 units)	13,892
Other Income	33,582
Total Revenues	\$ 254,603
EXPENSES	
Salaries & Fringe Benefits	\$ 293,263
Contract Services	1,534
Travel & Training	3,796
Space Costs	4,885
Communications	1,311
Supplies	1,907
Office Costs	3,483
Liability Insurance	7,607
Legal	180
Other	668
Total Expenses	\$ 318,632
Revenue over/under expenses	\$ (64,029)
Net assets at July 1, 2021	\$ 105,425
Net assets at June 30, 2022	\$ 41,396

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

COMMUNITY SERVICES BLOCK GRANT

Grant Period: January 1, 2020 to August 31, 2021

Grant Number: DPHHS 20-028-10007-0

	Budget	Actual
REVENUE		
Grant	\$ 345,027	345,027
Misc Income		517
Private Grant		10,000
Total Revenue	\$ 345,027	355,544
EXPENSES		
Salaries & Fringe	\$ 200,260	280,007
Consultants & Contract Services	-	7,823
Travel/Training	3,000	8,256
Space	7,500	14,609
Supplies	4,000	687
Small Equipment	-	-
Other Non-Direct Expenses	6,000	4,139
Support for Programs/Projects and Other Costs	124,267	40,802
Total Expenses	\$ 345,027	356,323
Revenue Over/Under Expenses	\$ -	(779)
Transfer In		779
Net Assets at January 1, 2020		\$ 0
Net Assets at August 31, 2021		\$ 0

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

COMMUNITY SERVICES BLOCK GRANT

Grant Period: January 1, 2020 to September 30, 2022

Grant Number: DPHHS 20-028-19047-0

	Budget	Actual
REVENUE		
Grant	\$ 133,500	133,550
Misc Income		
Total Revenue	\$ 133,500	133,550
EXPENSES		
Salaries & Fringe	\$ 36,180	838
Consultants & Contract Services	-	-
Travel/Training	-	-
Space	-	-
Supplies	-	-
Small Equipment	64,414	86,026
Other Non-Direct Expenses	-	5,000
Support for Programs/Projects and Other Costs	32,906	44,185
Total Expenses	\$ 133,500	136,049
Revenue Over/Under Expenses	\$ -	(2,499)
Transfer In		2,499
Net Assets at January 1, 2020		\$ 0
Net Assets at June 30, 2022		\$ 0

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

HRDC CENTRAL AND ANNEX OFFICES

Report Period: July 1, 2021 to June 30, 2022

	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	4,800	0	0
Total Revenue	<u>\$ 115,200</u>	<u>115,200</u>	<u>37,200</u>	<u>37,200</u>
EXPENSES				
Gas & Electric	\$ 13,000	13,989	2,200	4,047
Water, Sewer, & Garbage	3,840	4,387	1,200	1,243
Maintenance & Repairs	20,600	15,303	2,200	913
Janitorial/Grounds	17,800	19,944	5,500	2,760
Property Management/Audit	7,200	7,200	1,000	800
Insurance	2,600	2,449	959	2,202
Taxes	650	1,505	130	325
Interest Expense	15,469	15,433	8,300	8,275
Depreciation	42,297	42,297	16,742	16,742
Total Expenses	<u>\$ 123,456</u>	<u>122,507</u>	<u>38,231</u>	<u>37,307</u>
Revenue Over/Under Expenses	<u>\$ (8,256)</u>	<u>(7,307)</u>	<u>(1,031)</u>	<u>(107)</u>
Net Assets at July 1, 2021		<u>\$ 700,318</u>		<u>(125,905)</u>
Net Assets at June 30, 2022		<u>\$ 693,011</u>		<u>\$ (126,012)</u>

See Independent Auditors' Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
 For the Years Ended June 30, 2022 and 2021

SCHEDULE OF ADMINISTRATIVE COSTS ALLOCATED

Report Period: For the Year Ended June 30, 2022

	Actual
REVENUE	
Allocation Payments from Programs	\$ 1,432,776
Misc Income	\$ -
Total Revenues	\$ 1,432,776
EXPENSES	
Salaries & Fringe Benefits	\$ 1,124,480
Space Costs	35,216
Financial Audit	57,271
Communications	14,720
Office Costs	3,599
Small Equipment	1,722
Computer Service	169,278
Travel/Training	9,310
Contract Services	14,133
Other	5,590
Total Expenses	\$ 1,435,319
Revenue Over/Under Expenses	\$ (2,542)
Net Assets at July 1, 2021	\$ 9,056
Net Assets at June 30, 2022	\$ 6,514

See Independent Auditors' Report.

SINGLE AUDIT SECTION

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2022

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 21-22	14.231	07/01/2021-06/30/2023	20-028-51007-0	\$ 71,607	\$ 12,812	\$ -
COVID-19 Emergency Solutions Grant CARES 20-21	14.231	04/01/20-06/30/22	20-028-19007-0	980,800	<u>638,978</u>	<u>-</u>
Total Emergency Shelter Grant					<u>651,790</u>	<u>-</u>
<i>Direct</i>						
Youth Homelessness Demonstration Grant - (TH.RRH)	14.276	10/01/20 - 09/30/22	MT0082Y8T001800	251,888	145,864	-
Youth Homelessness Demonstration Grant - (RRH)	14.276	10/01/20 - 09/30/22	MT0086Y8T001800	64,174	29,697	-
Youth Homelessness Demonstration Grant - (PSH)	14.276	10/01/20 - 09/30/22	MT0072Y8T001800	99,370	29,297	-
Youth Homelessness Demonstration Grant - (SYS NAV)	14.276	10/01/20 - 09/30/22	MT0077Y8T001800	220,010	43,591	-
Youth Homelessness Demonstration Grant - (DIVERSION)	14.276	10/01/20 - 09/30/22	MT0071Y8T001800	120,642	<u>60,748</u>	<u>-</u>
Total Youth Homelessness					<u>309,197</u>	<u>-</u>
<i>Direct</i>						
Continuum of Care - Rapid Re-Housing	14.267	07/01/21 - 06/30/22	MT0055L8T002005	125,089	<u>122,100</u>	<u>-</u>
Total Continuum of Care					<u>122,100</u>	<u>-</u>
<i>Direct</i>						
Multifamily Housing Service Coordinators	14.191	01/01/21 - 12/31/21	MFSC179734-01-05	33,020	14,429	-
Multifamily Housing Service Coordinators	14.191	01/01/22 - 12/31/22	MFSC179734-01-06	30,430	<u>17,200</u>	<u>-</u>
Total Multifamily Housing Service Coordinators					<u>31,629</u>	<u>-</u>
<i>Montana Dept. of Commerce</i>						
Home Investment Partnership Program - RTH	14.239	05/01/21 - 06/30/23	MT-HOME-HBA-21-03	2,159,000	32,500	-
COVID-19 Section 8 CARES	14.871	03/1/20 - 06/30/22	22-745-0006	62,026	55,487	-
<i>Local Initiatives Support Corporation</i>						
Rural LISC - Health Housing HFV	14.252	09/01/20 - 10/31/2021	41189-0046	16,800	266	-
Rural LISC	14.252	01/14/2022 - 12/31/2023	41189-0048	33,000	<u>2,938</u>	<u>-</u>
Total LISC					<u>3,204</u>	<u>-</u>
Total Department of Housing and Urban Development					<u>1,205,907</u>	<u>-</u>

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
Year Ended June 30, 2022

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	12/01/21-09/30/22	22-028-17007-0	447,154	152,448	-
<i>City of Bozeman</i>						
COVID-19 ARPA Household Efforts	21.027	11/24/21-06/30/23	None	100,000	<u>13,724</u>	-
Total Department of Treasury					<u>166,172</u>	-
Department of Labor						
<i>Montana Department of Labor</i>						
WIA/WIOA Cluster						
Workforce Innovation & Opportunity Act	17.259	07/01/21 - 06/30/22	DLISF20CONWSD_102	173,811	173,811	-
Workforce Innovation & Opportunity Act - MOD	17.259	07/01/21 - 06/30/22	DLISF20CONWSD_102_5	25,353	<u>25,353</u>	-
Total Department of Labor, WIA/WIOA Cluster					<u>199,164</u>	-
Department of Transportation						
<i>Montana Department of Transportation</i>						
Formula Grants for Other Than Urbanized Areas	20.509	07/01/21 - 06/30/22	111298	1,259,039	<u>1,259,039</u>	-
Total Department of Transportation					<u>1,259,039</u>	-
Department of Energy						
<i>Montana Dept. of Health and Human Services</i>						
DOE Weatherization 21-22	81.042	07/01/21 - 06/30/22	21-028-30027-0	172,402	<u>136,125</u>	-
Total Department of Energy					<u>136,125</u>	-

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
Year Ended June 30, 2022

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	07/01/21 - 6/30/22	2021-004-013	52,766	52,766	-
COVID-19 Title III-B Homemaker Services - CARES	93.044	07/01/21 - 9/30/22	2021-004-013	4,593	1,734	-
COVID-19 Title III-B Homemaker Services - Park County - CARES	93.044	07/01/21 - 9/30/22	2021-004-013	1,456	1,500	-
Title III-E Respite / Caregiver Support	93.052	07/01/21 - 6/30/22	2021-004-013	22,298	22,298	-
Title III-B RESPITE / Caregiver Support	93.052	07/01/21 - 6/30/22	2021-004-013	3,702	3,702	-
Title III-E Respite - Park County	93.052	07/01/21 - 6/30/22	2021-004-013	19,794	19,794	-
COVID-19 Title III-B Respite - Park County - CARES	93.052	07/01/21 - 6/30/22	2021-004-013	3,706	3,706	-
Title III-Galavan	93.044	07/01/21 - 9/30/22	2021-004-013	21,400	21,400	-
Title III-RSVP	93.044	07/01/21 - 9/30/22	2021-004-013	2,675	2,675	-
COVID-19 Title III-RSVP CARES	93.044	07/01/21 - 9/30/22	2021-004-013	2,325	2,325	-
Title III-Senior Reach	93.044	07/01/21 - 9/30/22	2021-004-013	5,000	5,000	-
COVID-19 Title III-Senior Reach CARES	93.044	07/01/21 - 9/30/22	2021-004-013	10,000	10,000	-
Total Aging Cluster					<u>146,900</u>	<u>-</u>
State Health Insurance Assistance Program	93.324	07/01/21 - 06/30/22	2021-004-013	25,000	25,000	-
COVID-19 State Health Insurance Assistance Program CARES	93.324	07/01/21 - 06/30/22	2021-004-013	25,000	25,000	-
Total SHIP					<u>50,000</u>	<u>-</u>
<i>Missoula Aging Services (Area XI Agency on Aging)</i>						
Senior Medicare Patrol 21-22	93.048	06/01/21 - 05/31/22	None:MOU	9,537	8,974	-
Senior Medicare Patrol 22-23	93.048	06/01/22 - 05/31/23	None:MOU	9,537	577	-
Total Senior Medicare Patrol					<u>9,551</u>	<u>-</u>
<i>Montana Dept. of Health and Human Services</i>						
CSBG 21	93.569	01/01/20 - 08/31/21	21-028-10007-0	351,882	351,882	-
COVID-19 CSBG CARES 20	93.569	01/01/20-08/31/21	21-028-19047-0	133,550	8,995	-
COVID-19 CSBG CARES 21	93.569	02/01/20-09/30/22	21-028-19047-0	324,632	210,008	-
					<u>570,885</u>	<u>-</u>
<i>Direct</i>						
Head Start						
Head Start 20-21	93.600	04/01/20 - 03/31/21	08CH010871-03	1,685,716	1,283,717	-
In-Kind					122,248	-
Head Start 21-22	93.600	04/01/21 - 03/31/22	08CH010871-04	1,685,716	408,693	-
In-Kind					9,583	-
COVID-19 Head Start ARPA 2	93.600	04/01/21 - 03/31/23	08HE000196-01-01	181,868	105,875	-
Childcare Stabilization Grant - Belgrade	93.575	01/18/22 - 12/31/22	2225CCPG0454	94,899	47,450	-
Childcare Stabilization Grant - Livingston	93.575	01/18/22 - 12/31/22	2225CCPG0452	27,104	13,552	-
Childcare Stabilization Grant - Bozeman	93.575	01/18/22 - 12/31/22	2225CCPG0453	20,675	10,338	-
<i>Less In-Kind</i>					<u>(131,831)</u>	<u>-</u>
Total Head Start					<u>1,869,625</u>	<u>-</u>

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
Year Ended June 30, 2022

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 20-21	93.568	10/01/21 - 09/30/22	21-028-13007-0	31,051	34,113	-
COVID-19 LIEAP Client Education/Advocacy 21-22 ARPA	93.568	10/01/21 - 09/30/23	21-028-19053-0	15,081	7,664	-
LIEAP Outreach 20-21	93.568	10/01/21 - 09/30/22	21-028-13007-0	31,033	34,223	-
COVID-19 LIEAP Outreach 21-22 ARPA	93.568	10/01/21 - 09/30/23	21-028-19053-0	36,783	23,990	-
LIEAP Administration 19-20	93.568	10/01/20 - 09/30/21	20-028-13007-0	11,537	2,912	-
LIEAP Administration 20-21	93.568	10/01/21 - 09/30/22	21-028-13007-0	58,749	60,223	-
COVID-19 LIEAP Administration 21-22 ARPA	93.568	10/01/21 - 09/30/23	21-028-19053-0	98,213	75,121	-
LIEAP Contingency Revolving Fund 20-21	93.568	11/14/20 - 09/30/21	20-028-11007-0	REIMB	32,752	-
LIEAP Contingency Revolving Fund 21-22	93.568	11/14/21 - 10/31/22	21-028-11007-0	REIMB	67,644	-
COVID-19 LIEAP CRF CARES 20-21	93.568	05/01/20 - 09/30/21	20-028-19067-0	REIMB	5,455	-
LIEAP Weatherization 20-21	93.568	07/01/20 - 09/30/21	20-028-16007-0	198,620	67,188	-
LIEAP Weatherization 21-22	93.568	07/01/21 - 09/30/22	21-028-16007-0	334,993	218,534	-
COVID-19 LIEAP Weatherization 21-22 ARPA	93.568	07/01/21 - 09/30/22	21-028-19090-6	286,947	<u>159,689</u>	-
Total LIEAP					<u>789,508</u>	-
COVID-19 LIHWAP ARPA	93.499	10/01/2021	21-028-18053-0	23,754	<u>2,832</u>	-
<i>Action Inc</i>						
Chafee Foster Care Independence	93.674	07/01/21 - 06/30/22	20123FCIP0009	109,842	109,842	-
COVID-19 Chafee Foster Care Independence 1	93.674	07/01/21 - 06/30/22	20123FCIP0009	109,842	36,000	-
COVID-19 Chafee Foster Care Independence 2	93.674	07/01/21 - 06/30/22	20123FCIP0009	109,842	<u>283,542</u>	-
Total Action Inc					429,384	-
<i>Montana Dept. of Health and Human Services</i>						
Ryan White Part B HIV Care Formula Grant	93.917	10/01/21 - 09/30/22	22-07-4-51-310-0-0	33,575	<u>5,173</u>	-
<i>Montana Dept. of Health and Human Services</i>						
SAMHSA Mental Health Block Grant	93.958	01/01/21 - 6/30/23	21-332-74081-0	150,000	<u>96,115</u>	-
<i>University of Montana</i>						
UM Innovations Grant	93.667	02/01/21 - 09/30/21	21-105-000004	80,055	<u>35,961</u>	-
<i>Montana Dept. of Health and Human Services</i>						
Projects for Assistance in Transition from Homelessness	93.150	03/01/22 - 06/30/23	22-332-74130-0	166,666	20,423	-
Substance Abuse Prevention and Treatment Grant	93.959	03/01/22 - 06/30/23	22-332-74130-0	33,334	-	-
Total					20,423	-
Total Department of Health and Human Services					<u>4,026,357</u>	-

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
Year Ended June 30, 2022

FEDERAL SOURCE PASS THROUGH SOURCE PROGRAM NAME	Assistance Listing No.	Grant Term	Pass Through Number	Total Dollars Awarded	Total Federal Expenditures	Awards to Subrecipients
Corporation for National and Community Service						
<i>Direct</i>						
RSVP 2021-22	94.002	04/1/21 - 03/31/22	21SRDMT002	86,161	62,467	-
COVID-19 RSVP ARPA	94.002	04/1/21 - 03/31/22	21SRDMT002	20,300	20,300	-
Match					96,980	-
RSVP 2022-23	94.002	04/1/22 - 03/31/23	21SRDMT002	86,161	29,153	-
COVID-19 RSVP ARPA Carryover	94.002	04/1/22 - 03/31/23	21SRDMT002	29,700	7,366	-
Match					10,914	-
Less Match					(107,894)	-
Senior Demonstration Program	94.017	4/01/22 - 03/31/24	22SDDMT001	200,000	<u>301</u>	-
Total Corporation for National and Community Service					<u>119,587</u>	-
Department of Agriculture						
<i>Montana Department of Health and Human Services</i>						
Child and Adult Care Food Program 20-21	10.558	04/01/21-03/31/22	HS 04087C	-	52,671	-
Child and Adult Care Food Program 21-22	10.558	04/01/22-03/31/23	HS 04087C	-	<u>18,195</u>	-
Total Child and Adult Care Food Program					<u>70,866</u>	-
<i>Montana Office of Public Instruction</i>						
<i>Child Nutrition Cluster</i>						
Summer Food Service Program for Children '20	10.559	10/01/20 - 09/30/21	16-6512	-	74,956	-
Summer Food Service Program for Children '21	10.559	10/01/21 - 09/30/22	16-6512	-	<u>25,850</u>	-
Total Summer Food Service Program for Children					<u>100,806</u>	-
<i>Montana Dept. of Health and Human Services</i>						
<i>Food Distribution Cluster</i>						
Commodity Supplemental Food Program 19-20	10.565	10/01/20 - 09/30/21	20-027-21002-0	-	34,690	-
Commodity Supplemental Food Program 20-21	10.565	10/01/21 - 09/30/22	21-027-21002-0	-	<u>113,525</u>	-
Total Food Distribution Cluster					<u>148,215</u>	-
Total Department of Agriculture					<u>319,887</u>	-
TOTAL FEDERAL AWARDS EXPENDED					<u>\$ 7,432,238</u>	<u>\$ -</u>
LOAN AND LOAN GUARANTEES				Principal Repayment	Amount Owed June 30, 2022	
<i>Direct Loan Guaranteed by the U.S. Department of Housing</i>	14.181			<u>\$ -</u>	<u>\$ 438,100</u>	

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2022

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, 2022. 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, 2022, for the following programs:

Department of Health and Human Services:	
Head Start	<u>\$ 131,831</u>
Retired and Senior Volunteer Program	<u>\$ 107,894</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, 2022.

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

To the Board of Directors
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, 2022 and 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 DATE.

Report on 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) as a basis for designing 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.

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

(Continued)

Report on 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.

KCoe Isom, LLP

March 17, 2023
Bozeman, Montana

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Human Resource Development Council of District IX, Inc.'s (HRDC) compliance with the types of compliance requirements identified as subject to audit 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, 2022. The HRDC's major federal programs are identified in the summary of Auditors' results section of the accompanying Schedule Of Findings and Questioned Costs.

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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of HRDC and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of HRDC's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

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

(Continued)

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

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

(Continued)

Report on Internal Control Over Compliance

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

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

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

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

KCoe Jam, LLP

March 17, 2023
Bozeman, Montana

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 June 30, 2022

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

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? No

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing Number</u>
Emergency Solutions Grant Program	14.231
Low-Income Home Energy Assistance	93.568
Community Services Block Grant	93.569

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes

SECTION II – FINANCIAL STATEMENT FINDINGS

The audit report for the year ended June 30, 2022, reported no findings.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

The audit report for the year ended June 30, 2022, reported no findings.

SECTION IV – STATUS OF CORRECTIVE ACTION ON PRIOR FINDINGS

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