

Human Resource Development Council of District IX, Inc.
AUDITED
CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended
June 30, 2023 and 2022

Human Resource Development Council of District IX, Inc.
Bozeman, Montana

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements**Opinion**

We have audited the accompanying consolidated financial statements of Human Resource Development Council of District IX, Inc. (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2023, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Human Resource Development Council of District IX, Inc. as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Other Matter

The consolidated financial statements of Human Resource Development Council of District IX, Inc. for the year ended June 30, 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on March 17, 2023.

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 Human Resource Development Council of District IX, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Human Resource Development Council of District IX, Inc.'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 Human Resource Development Council of District IX, Inc.'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.

Supplementary 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 58 through 70 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 71 through 132, 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 February 1, 2024 on our consideration of 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 Human Resource Development Council of District IX, Inc.'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 Human Resource Development Council of District IX, Inc.'s internal control over financial reporting and compliance.

Carver Florek & James, CPAs

Carver Florek & James, CPAs
Missoula, Montana
February 1, 2024



Management Discussion & Analysis

As we look back at the close of the last fiscal year, we have many things to celebrate. Although there continue to be many changes in our community, HRDC continues to see the need to stand side by side with our neighbors who are impacted most by the rising costs of housing, food, transportation, and other necessities.

This was the first year that HRDC, with growing support from the community, was able to provide full-year overnight shelter at our Bozeman Warming Center. We were also able to provide supportive services for those clients with our Drop-in Center support and meetings during the day and outreach activities through the Projects for Assistance in Transition from Homelessness, or PATH grant. In addition, we have begun comprehensive operations at our nearby Housing First Village, a community of homes dedicated to provide permanent supportive housing for those folks who have had a more challenging time maintaining traditional housing without the full continuum of support.

Another huge success for HRDC, Streamline, and our community was in bolstering massive community support in gathering signatures and voting for the creation of the Gallatin Valley Urban Transportation District with nearly 80% voter support! As we entered the year, the FTA informed us that Bozeman had been deemed urban, and that the rural funding obtained by Streamline and Galavan were going to sunset in a few short years. To maintain a no-fee public transportation service, it was imperative to form this district to support those community members who use Streamline to go to work, school, and other appointments.

Financially, HRDC continues to operate very efficiently. Our general administration 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 2022-23. In addition, our Fundraising and Outreach & Communication activities represented 3% of our annual expenses during the Fiscal Year.

In addition to our 2022-23 ongoing core operations, HRDC's Consolidated Statement of Activities for the fiscal year ended June 30, 2023 includes the following nonrecurring activity:

- Nonrecurring net gain on sale of property of \$178,182
- pledged contributions restricted for future capital projects of \$927,616;
- nonrecurring federal and state grants of \$567,075 to assist with our community response to the COVID-19 Pandemic;
- The prior fiscal year 2021-22 also included nonrecurring activities, primarily:
- 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.

Excluding these nonrecurring activities, HRDC had ongoing revenues from our core operations of \$23.3 million and corresponding expenses of \$20.8 million in fiscal year 2021-2022, compared with ongoing core revenues of \$18.8 million and corresponding expenses of \$17.8 million in fiscal year 2021-2022

The revenues reported in HRDC's Consolidated Statement of Activities also include \$3.3 million in non-cash contributions of food received from donors in fiscal year 2022-23, 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 \$1.92 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 \$20 million and adjusted ongoing core expenses would be \$17.6 million for fiscal year 2022-23.

Spread across our services, this represents a cost of \$1,164 per year per community member served (to provide food, transportation, preschool, housing support, utility support, ... This does not include the cost of our work to bring more affordable homes to the communities we serve or our work to connect community members to a better

financial future, both in planning and career advancement, or our work to build capacity across our service area to tackle these challenging issues.

As 2024 approaches, HRDC is even more prepared to meet community needs through the December opening of our Marketplace at Community Commons, where we can provide wrap-around services to the community. We are also continuing construction of the Homeward Point Building, which will provide the first purpose built shelter for Gallatin County.



FINANCIAL STATEMENTS

Human Resource Development Council of District IX, Inc.
Bozeman, Montana

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 7,106,309	\$ 5,651,066
Escrow and building reserve	402,419	430,788
Cash restricted for capital campaign	2,543,195	12,443,064
Receivables (Note 3)		
Grants	2,493,781	1,955,057
Accounts receivable, net	1,751,410	1,873,031
Pledges receivable, net	3,011,542	1,953,210
Prepaid expenses	246,410	233,343
Investments (Note 4)	6,486,576	1,345,209
Inventory - supplies and food bank	225,124	267,082
Inventory - condominiums, federal constraints	323,076	323,076
Inventory - condominiums	-	225,000
Deferred loans receivable, net (Note 3)	5,315,278	5,432,044
Construction in progress (Note 6)	15,289,198	4,376,581
Right-to-use assets	586,970	387,716
Property and equipment, net, federal constraints (Note 6)	6,481,385	7,176,219
Property and equipment, net (Note 6)	<u>12,266,537</u>	<u>12,726,536</u>
TOTAL ASSETS	<u>\$ 64,529,210</u>	<u>\$ 56,799,022</u>

The accompanying notes are an integral part of these financial statements.

Human Resource Development Council of District IX, Inc.
Bozeman, Montana

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)
As of June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 1,010,789	\$ 1,218,277
Accrued liabilities	998,942	798,639
Accrued vacation, sick, and paid time off	268,144	301,405
Accrued interest payable	8,874	26,321
Deposits payable	459,604	150,051
Unearned revenue (Note 7)	15,669	53,142
Lease liability	586,970	387,716
Notes payable (Note 8)	<u>14,110,097</u>	<u>16,063,089</u>
TOTAL LIABILITIES	<u>17,459,089</u>	<u>18,998,640</u>
NET ASSETS		
Without donor restrictions		
Undesignated	24,647,400	21,798,667
Federal-constrained inventory and capital assets	<u>6,804,461</u>	<u>7,072,288</u>
Total net assets without donor restrictions	31,451,861	28,870,955
With donor restrictions		
Purpose or time restrictions	15,394,132	8,710,299
Perpetual in nature (endowment)	<u>224,128</u>	<u>219,128</u>
Total net assets with donor restrictions	15,618,260	8,929,427
TOTAL NET ASSETS	<u>47,070,121</u>	<u>37,800,382</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 64,529,210</u>	<u>\$ 56,799,022</u>

The accompanying notes are an integral part of these financial statements.

Human Resource Development Council of District IX, Inc.
Bozeman, Montana

CONSOLIDATED STATEMENT OF ACTIVITIES
For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES		
Contract revenue	\$ 1,037,433	\$ 998,156
Developers' fee	465,571	220,753
Revenue from partnership	1	248,923
Rental income	1,086,287	1,193,912
City/County/Local Government support	2,802,107	1,609,229
Net loss on sale of manufactured homes and housing units	-	(451,547)
Contributions of cash and other financial assets:		
Grants:		
Federal	7,435,491	7,744,318
State	748,828	770,084
Private	542,305	519,881
Pledged contributions	927,616	509,857
Contributions and fundraising	5,111,645	3,786,790
Nonfinancial asset contributions (food and services)	3,289,076	2,867,920
Net investment (loss) income	305,700	(190,269)
Gain on sale of property	178,182	272,208
Forgiveness of debt	891,727	-
Gain on sale of buildings	-	103,528
Other	121,793	511,363
Net assets released from program restrictions	<u>152,810</u>	<u>207,419</u>
TOTAL REVENUES	<u>25,096,572</u>	<u>20,922,525</u>

The accompanying notes are an integral part of these financial statements.

Human Resource Development Council of District IX, Inc.
Bozeman, Montana

CONSOLIDATED STATEMENT OF ACTIVITIES (CONTINUED)
For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
EXPENSES		
Program Services		
Energy	887,744	1,035,907
Food and nutrition	5,409,865	4,731,717
Senior programs	511,451	455,034
Community development	868,171	3,925,419
Economic development	661,986	897,520
Housing	4,673,374	4,061,236
Early childhood education	2,101,791	1,990,489
Transportation	3,612,543	2,965,001
Total Program Services	<u>18,726,925</u>	<u>20,062,323</u>
Supportive Services		
Administration	2,143,487	1,604,257
Fundraising	645,254	523,448
Total Supportive Services	<u>2,788,741</u>	<u>2,127,705</u>
TOTAL EXPENSES	<u>21,515,666</u>	<u>22,190,028</u>
Change in net assets without donor restrictions	3,580,906	(1,267,503)
NET ASSETS WITH DONOR RESTRICTIONS		
Purpose-or-time restricted contributions	6,836,643	4,274,175
Perpetually-restricted contributions	5,000	10,000
Net assets released from restrictions	<u>(152,810)</u>	<u>(207,419)</u>
Change in net assets with donor restrictions	<u>6,688,833</u>	<u>4,076,756</u>
TOTAL CHANGE IN NET ASSETS	10,269,739	2,809,253
NET ASSETS, beginning of year	37,800,382	35,491,129
Capital contribution	-	-
Investment in partnership interest	<u>(1,000,000)</u>	<u>(500,000)</u>
NET ASSETS, end of year	<u>\$ 47,070,121</u>	<u>\$ 37,800,382</u>

The accompanying notes are an integral part of these financial statements.

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2023

	PROGRAM SERVICES								SUPPORTIVE SERVICES		
	Energy	Food & Nutrition	Senior Programs	Community Development	Economic Development	Housing	Early Childhood Education	Transportation	General Administration	Fundraising	Total
Salaries	\$ 358,583	\$ 1,010,630	\$ 354,069	\$ 481,303	\$ 330,612	\$1,953,518	\$1,218,306	\$ 538,046	\$ 1,154,606	\$ 264,848	\$ 7,664,521
Payroll taxes and benefits	98,956	273,732	89,383	126,830	88,172	452,504	374,606	138,205	317,773	58,395	2,018,556
Bad debt expense	-	1,978	-	7,710	-	13,898	5,317	-	-	-	28,903
Client assistance	262,111	238	-	-	172,121	295,321	8,616	1,704	289	3,426	743,826
Closing costs and housing fees	-	-	-	823	-	-	-	-	-	-	823
Contract services	67,052	6,543	1,650	45,871	14,871	189,307	10,514	855,670	129,061	49,361	1,369,900
Depreciation and amortization	22,903	63,576	2,620	23,417	4,424	556,821	87,286	535,607	18,382	3,564	1,318,600
Food	-	467,240	-	-	-	-	71,540	-	-	-	538,780
Fundraising	-	11,981	10,539	-	43	1,363	-	28	136	23,159	47,249
In-kind donations	-	3,282,793	-	-	-	-	37,020	-	-	-	3,319,813
Insurance	12,177	32,016	5,679	(734)	2,731	88,034	45,615	235,143	12,869	2,257	435,787
Interest	-	7,249	-	41,340	-	179,710	23,201	-	23,611	-	275,111
Legal and audit	-	-	-	2,422	-	2,015	-	-	61,610	-	66,047
Loans forgiven	-	-	-	43,258	-	-	-	-	-	-	43,258
Office costs	6,094	16,117	5,276	27,459	3,284	48,315	25,210	15,446	360,879	33,212	541,292
Other	180	17,341	222	476	4	47,596	6,702	711,177	11,576	11,627	806,901
Outreach and marketing	88	11,387	256	1,824	100	1,467	2,305	36,742	21,979	116,389	192,537
Repairs and maintenance	1,969	13,576	-	(5,284)	-	185,868	14,535	186,516	16,585	-	413,765
Space and occupancy costs	27,176	132,826	31,659	29,729	15,838	535,277	123,684	100,983	(32,800)	17,056	981,428
Special projects	-	-	-	-	-	-	-	-	-	-	-
Subgrants	-	-	-	10,297	-	-	-	-	-	-	10,297
Supplies	12,062	30,641	6,077	14,029	2,983	83,972	25,950	11,768	27,078	50,712	265,272
Trainee wages and benefits	-	-	-	-	10,851	-	-	-	-	-	10,851
Training	1,026	502	302	15,247	9,397	26,720	13,891	35	14,875	250	82,245
Travel and transportation	17,367	29,499	3,719	2,154	6,555	11,668	7,493	245,473	4,978	10,998	339,904
TOTAL EXPENSES	\$ 887,744	\$ 5,409,865	\$ 511,451	\$ 868,171	\$ 661,986	\$4,673,374	\$2,101,791	\$ 3,612,543	\$ 2,143,487	\$ 645,254	\$21,515,666
	4.13%	25.14%	2.38%	4.04%	3.08%	21.71%	9.77%	16.79%	9.96%	3.00%	100.00%

The accompanying notes are an integral part of these financial statements.

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2022

	PROGRAM SERVICES								SUPPORTIVE SERVICES		
	Energy	Food & Nutrition	Senior Programs	Community Development	Economic Development	Housing	Early Childhood Education	Transporation	General Administration	Fundraising	Total
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
	4.67%	21.33%	2.05%	17.69%	4.04%	18.30%	8.97%	13.36%	7.23%	2.36%	100.00%

The accompanying notes are an integral part of these financial statements.

Human Resource Development Council of District IX, Inc.
Bozeman, Montana

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received From:		
Grantors	\$ 8,150,427	\$ 9,324,149
Contracts	1,624,625	939,700
Rentals	1,086,287	1,071,481
City/County/Local Government	2,802,107	1,609,229
Sale of housing units	-	398,227
Contributions	11,822,572	8,415,026
Interest and dividends	-	70,077
Other activities	121,794	135,627
Cash Paid For/To:		
Employees	(9,716,338)	(8,439,831)
Supplies	(1,173,926)	(5,288,433)
Direct assistance to clients	(1,357,424)	(1,166,543)
Other operational expenses	(3,801,916)	(198,586)
Fundraising activities	(47,249)	(40,746)
Interest	(292,558)	(417,614)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>9,218,401</u>	<u>6,411,763</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of capital assets	(11,214,021)	(4,661,228)
Proceeds from sales of assets	315,820	375,736
Cash paid for investment in partnership	-	-
Investment purchases	(4,835,667)	-
Proceeds from sales of investments	-	13,734
Principal loan receivable payments received	103,738	909,206
Principal loan receivable advances	-	(500,000)
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>(15,630,130)</u>	<u>(3,862,552)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital distributions paid	(1,000,000)	(500,000)
Proceeds from long-term debt	72,500	6,744,376
Principal payments on long-term debt	(1,133,765)	(974,360)
NET CASH FLOWS FROM FINANCING ACTIVITIES	<u>(2,061,265)</u>	<u>5,270,016</u>
Net change in cash and cash equivalents	(8,472,994)	7,819,227
CASH AND CASH EQUIVALENTS		
Beginning of year	18,524,918	10,705,691
End of year	<u>\$ 10,051,924</u>	<u>\$ 18,524,918</u>
Reconciliation to Consolidated Statements of Financial Position		
Cash and cash equivalents	\$ 7,106,309	\$ 5,651,066
Escrow and building reserve	402,419	430,788
Cash restricted for capital campaign	2,543,195	12,443,064
	<u>\$ 10,051,923</u>	<u>\$ 18,524,918</u>

The accompanying notes are an integral part of these financial statements.

Human Resource Development Council of District IX, Inc.
Bozeman, Montana

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 10,269,739	\$ 2,809,253
Adjustments to reconcile change in net assets to net cash from operating activities:		
Items not affecting cash:		
Depreciation and amortization	1,318,600	1,236,978
Donation of land	-	2,000,000
Bad debt, allowances, and loans forgiven	13,028	491,243
Forgiveness of PPP loan	-	(407,000)
Net investment loss (income)	(305,700)	190,269
Gain on sale of property and equipment	(178,182)	(272,208)
Forgiveness of debt	(891,727)	-
Gain on sale of buildings, net	-	(103,528)
Proceeds from sale of housing units and condominiums, net	-	398,227
Changes in operating assets and liabilities		
Inventory	266,958	273,463
Grants receivable	(538,724)	241,724
Accounts receivable, net	121,621	(101,123)
Pledges receivable, net	(1,058,332)	(165,796)
Prepaid expenses	(13,067)	42,667
Accounts payable	(207,488)	(319,292)
Accrued liabilities	149,595	171,175
Deposits payable	309,553	(122,431)
Unearned revenue	(37,473)	48,142
Total adjustments	<u>(1,051,338)</u>	<u>3,602,510</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ <u>9,218,401</u>	\$ <u>6,411,763</u>
SUPPLEMENTAL SCHEDULE OF NON-CASH OPERATING ACTIVITIES		
Contributions of food	<u>\$ 3,126,476</u>	<u>\$ 2,867,920</u>
SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING ACTIVITIES		
In-kind donation of land and receivables	<u>\$ -</u>	<u>\$ 2,350,996</u>
SUPPLEMENTAL SCHEDULE OF NON-CASH FINANCING ACTIVITIES		
Forgiveness of debt	<u>\$ 891,727</u>	<u>\$ 407,000</u>

The accompanying notes are an integral part of these financial statements.

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Principles of Consolidation

The accompanying consolidated financial statements include the assets, liabilities, net assets, and financial activities of Human Resource Development Council of District IX, Inc. and its wholly-owned subsidiaries, the Home Corporation, The Miles Building, Inc., Summit Apartments, Inc., Sherwood Inn Apartments, Inc., Darlinton Apartments, Inc., Miles Limited Partnership, Darlinton 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 59 to 62.

B. 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 63 to 66.

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.

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES, Continued**

B. Organization (Continued)

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.

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.

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES, Continued**

B. Organization (Continued)

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.

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.

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES, Continued**

B. Organization (Continued)

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. No receivable remained at June 30, 2023.

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES, Continued**

B. 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.

C. 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).

D. 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.

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES, Continued**

E. Cash and Cash Equivalents

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

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

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

At June 30, 2023 and 2022, 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.

F. 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.

G. 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, 2023 and 2022.

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES, Continued**

G. Promises to Give and Other Receivables (Continued)

Conditional promises to give are recognized when the conditions on which they depend are substantially met. At June 30, 2023 and 2022, 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 2023 and 2022, respectively.

H. 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, 2023 and 2022, 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.

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 (\$8,574 and \$7,179 on June 30, 2023 and 2022, respectively) and the food inventory at the Gallatin Valley Food Bank, Big Sky Community Food Bank and Headwaters Area Food Bank (\$216,405 and \$259,903 on June 30, 2023 and 2022, respectively).

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

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES, Continued**

I. 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, 2023 and 2022 was \$1,318,600 and \$1,236,978, respectively.

J. Vacation/Paid Time Off and Sick Leave

HRDC charges the individual programs for vacation and paid time off (PTO) leave earned by employees. Terminating employees are paid one half of the value of their unused PTO time. 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, 2023 and 2022, the Vacation Leave/PTO Fund had a liability balance of \$256,030 and \$288,186, respectively.

HRDC pays terminating employees one quarter of the value of their unused sick leave. On June 30, 2023 and 2022, the liability for one quarter unused sick leave was \$12,114 and \$13,220 including related payroll taxes. The other three quarters of sick leave expenses are recorded when paid.

K. 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.

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES, Continued**

K. Classification of Net Assets (Continued)

A summary of net assets restricted for purpose or time at June 30, 2023 and 2022 is as follows:

	2023	2022
Griffin Site Development	\$ 11,082,125	\$ 6,895,417
Galavan Transportation operations	1,148,760	1,095,946
Big Sky Community Food Bank	220,227	258,848
Road to Home homeownership center	293,087	293,087
Healthy Kids Pack Food program	27,357	78,871
Outcomes for Coordinated Entry	4,143	29,499
Title 3 Home Care	12,253	22,569
Rural Housing Home Rehabilitation	-	19,898
Sunset Park Hope Relocation	8,809	8,809
Fork and Spoon	251	7,355
Family Shelter operations	2,425,691	-
Warming Center operations	171,429	-
Total purpose-or-time restricted	\$ 15,394,132	\$ 8,710,299

A summary of net assets perpetual in nature at June 30, 2023 and 2022 is as follows:

	2023	2022
Warming Center	\$ 76,302	\$ 76,302
Gallatin Valley Food Bank	76,301	76,301
Greatest Needs of HRDC	18,411	18,411
Capital Campaign	53,114	48,114
Total perpetually-restricted (endowment)	\$ 224,128	\$ 219,128

L. 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.

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES, Continued**

M. 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, 2023, June 30, 2022 and July 1, 2021 amounted to \$1,751,410, \$1,873,031 and \$1,771,908, 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, 2023 and 2022, total \$37,020 and \$79,181, 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 \$1.92 and \$1.79 for the years ended June 30, 2023 and 2022, 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 \$3,089,456 and \$2,788,739 for the years ended June 30, 2023 and 2022, 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.

N. Advertising

HRDC expenses advertising costs as incurred. Total advertising and outreach costs were \$192,537 and \$104,852 for the years ended June 30, 2023 and 2022, respectively.

O. 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 2023 or 2022.

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES, Continued**

P. Reclassification

Certain reclassifications have been made to the June 30, 2022 financial statements to conform to the June 30, 2023 presentation. Such reclassifications had no effect on previously reported amounts.

Q. Description of 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES, Continued**

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

Housing Activities

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

Early Childhood Education Activities

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

Transportation Activities

HRDC's Public Transportation Initiative, Streamline, provides fare-free public transit serving the communities of Belgrade, Bozeman, and Livingston. HRDC's 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES, Continued**

R. 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 number of FTEs**
liability insurance, human
resources office, receptionist,
executive, computer network

* 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

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, 2023 and 2022:

	2023	2022
Cash and cash equivalents	\$ 7,106,309	\$ 5,651,066
Escrow and building reserve	402,419	430,788
Cash restricted for capital campaign	2,543,195	12,443,064
Receivables	7,256,733	5,781,298
Prepaid expenses	246,410	233,343
Investments	6,486,576	1,345,209
Inventories	548,200	815,158
Total assets	24,589,842	26,699,926
Escrow and building reserve	(402,419)	(430,788)
Receivables (grants)	(2,493,781)	(1,955,057)
Receivables (pledges)	(3,011,542)	(1,953,210)
Prepaid expenses	(246,410)	(233,343)
Inventories	(548,200)	(815,158)
Financial assets	17,887,490	21,312,370
Donor-restricted net assets	(13,075,065)	(2,034,010)
Cash committed to HRDC projects	(2,543,195)	(12,443,064)
Financial assets available within 1 year	\$ 2,269,230	\$ 6,835,296

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 77 and 78 in the supplemental information.

Human Resources Development Council of District IX, Inc.
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

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 \$10,835 as of June 30, 2023 and 2022, respectively.

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

	2023	2022
Receivable in one year or less	\$ 1,130,140	\$ 1,324,105
Receivable in one to five years	2,249,609	741,002
	<u>3,379,749</u>	<u>2,065,107</u>
Less: discount	(368,207)	(111,897)
Net unconditional promises to give	\$ <u>3,011,542</u>	\$ <u>1,953,210</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 Resources Development Council of District IX, Inc.
Bozeman, Montana

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

NOTE 3. RECEIVABLES (Continued)

Deferred Loans Receivable (Continued)

The following table presents deferred loans receivable from related parties at June 30, 2023 and 2022:

	2023	2022
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 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 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 operating cash flow and priority as defined by Partnership Agreement.	
Collateral	Secured by revenues of HRDC IX Affordable Housing Solutions LP	

Human Resources Development Council of District IX, Inc.
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

NOTE 3. RECEIVABLES (Continued)

Deferred Loans Receivable (Continued)

The following table presents deferred loans receivable from related parties at June 30, 2023 and 2022 (continued):

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 operating cash flow and priority as defined by Partnership Agreement.		
Collateral		Secured by revenues of HRDC IX Affordable Housing Solutions LP		
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, 2023, HRDC had 21 outstanding down payment assistance loans totaling \$346,428, offset by a provision for loan losses of \$105,459. 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, 2023 and 2022, HRDC had 43 small housing assistance loans to clients totaling \$22,556 and \$22,556, 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.

Human Resources Development Council of District IX, Inc.
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 3. RECEIVABLES (Continued)

Deferred Loans Receivable (Continued)

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, 2023, there were 29 second mortgage loans outstanding in the amount of \$870,497, offset by a provision for loan losses of \$67,000. 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. The provision for loan losses is based on approximately six percent of the amount loaned in the final phase of the program.

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, 2023 and 2022, there were 18 and 19 loans outstanding in the total amount of \$190,088 and \$200,088, 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, 2023, HRDC no longer has any ownership interest in the Meadowview Condominiums.

Human Resources Development Council of District IX, Inc.
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

NOTE 3. RECEIVABLES (Continued)

Deferred Loans Receivable (Continued)

A summary of loans receivable and their related allowances at June 30, 2023 and 2022, is as follows:

	Loan Receivable 2023	Allowance for Doubtful Accounts 2023	Loan Receivable 2022	Allowance for Doubtful Accounts 2022
Affordable Housing - Clients				
Road to Home down-payment assistance	\$ 346,428	\$ 105,459	\$ 386,427	\$ 105,699
West Edge condo loans	870,496	67,000	967,503	97,000
Rental housing assistance loans	22,556	-	22,556	-
Willow Spring condo loans	190,088	-	200,088	-
Intercompany Loans				
West Babcock Apartments	149,947	-	155,906	-
Livingston Land Trust	173,790	-	173,790	-
Menicucci Square	550,585	-	550,584	-
Willow Spring condo loans	-	-	750,088	-
Housing First Village	5,000	-	-	-
Griffin Holding Corp	10,484,950	-	10,484,950	-
HRDC	-	-	1,814,688	-
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	2,726,169	-	2,726,169	-
Total	\$ 16,852,009	\$ 172,459	\$ 19,564,749	\$ 202,699
Intercompany elimination	(11,364,272)		(13,930,006)	
Less: allowance	(172,459)		(202,699)	
Deferred loans receivable, net	\$ 5,315,278		5,432,044	\$

Human Resources Development Council of District IX, Inc.
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

NOTE 3. RECEIVABLES (Continued)

An analysis of credit exposure by internally assigned grade at June 30, 2023 and 2022, is as follows:

	Residential		Related Party Commercial	
	2023	2022	2023	2022
Pass - performing loans	\$ 1,429,568	\$ 1,576,574	\$ 4,058,169	\$ 4,058,169
Pass with collateral deficiencies	-	-	-	-
Non-performing, collateralized	-	-	-	-
Non-performing, collateral deficiencies	-	-	-	-
	<u>\$ 1,429,568</u>	<u>\$ 1,576,574</u>	<u>\$ 4,058,169</u>	<u>\$ 4,058,169</u>

Deferred Loans Receivable (Continued)

An analysis of past due financing receivables as of June 30, 2023 and 2022, is as follows:

	Residential		Related Party Commercial	
	2023	2022	2023	2022
30 - 59 days past due	\$ -	\$ -	\$ -	\$ -
60 - 89 days past due	-	-	-	-
Greater than 90 days past due	-	-	-	-
Total past due	-	-	-	-
Current financing receivables	1,429,568	1,576,574	4,058,169	4,058,169
Total financing receivables	<u>\$ 1,429,568</u>	<u>\$ 1,576,574</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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

NOTE 3. RECEIVABLES (Continued)

HRDC's loans receivable are considered deferred loans, therefore no loans are considered past due as of June 30, 2023 and 2022, 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, 2023 and 2022, HRDC did not have any impaired loans.

NOTE 4. INVESTMENTS

Investments carried at fair value, as of June 30, 2023 and 2022, are as follows:

2023			
	Amortized Cost	Fair Value	Net Unrealized (Loss) Gain
Cash held for investment	\$ 4,533,329	\$ 4,533,329	\$ -
Equity securities:			
Mutual funds	1,490,511	1,520,908	30,397
Equities	176,654	208,191	31,537
Fixed Income - Other	251,817	224,134	(27,683)
Total investments	\$ <u>6,452,311</u>	\$ <u>6,486,562</u>	\$ <u>34,251</u>
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	251,817	230,704	(21,113)
Total investments	\$ <u>1,397,256</u>	\$ <u>1,345,209</u>	\$ <u>(52,047)</u>

Human Resources Development Council of District IX, Inc.
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

NOTE 4. INVESTMENTS (Continued)

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

	2023	2022
Interest, dividends and capital gains	\$ 254,946	\$ 70,077
Loan and other interest income	8,320	8,320
Realized gains	(21,227)	69,396
Unrealized (losses) gains	66,665	(323,653)
Net realized/unrealized (loss) gain on investments	<u>45,438</u>	<u>(254,257)</u>
Investment fees	<u>(8,908)</u>	<u>(14,409)</u>
Total investment (loss) income	\$ <u>299,796</u>	\$ <u>(190,269)</u>
Reported as:		
Unrestricted	305,700	(190,269)
Restricted	<u>-</u>	<u>-</u>
	\$ <u>305,700</u>	\$ <u>(190,269)</u>

A significant portion of HRDC's investments are subject to the risk of value fluctuation that is inherent in the market. As such, the value of HRDC's assets may change frequently. To help manage this risk, HRDC utilizes professional investment management firms to oversee the HRDC portfolio and monitor its performance. Total investment fees paid to the investment managers were \$12,565 and \$14,409 for the years ended June 30, 2023 and 2022, respectively.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

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, 2023 and 2022.

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, 2023.

	June 30, 2023			
	Fair Value	Level 1	Level 2	Level 3
Cash held for investment	\$ 4,533,329	\$ 4,533,329	\$ -	\$ -
Equity securities:				
Mutual funds	1,520,908	1,520,908	-	-
Equities	208,191	208,191	-	-
Fixed Income - Other	224,134	224,134	-	-
Total investments, at fair value	6,486,562	6,486,562	-	-
Pledges receivable	3,011,542	-	-	3,011,542
Total assets, at fair value	\$ 9,498,104	\$ 6,486,562	\$ -	\$ 3,011,542

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

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, 2023:

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

The following tables present by level, within the fair value hierarchy, HRDCs' investment assets at fair value, as of June 30, 2022.

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

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
Charitable gift annuity obligations	\$ 21,062	\$ -	\$ -	\$ 21,062

Changes in level 3 assets and liabilities for the years ended June 30, 2023 and 2022, are as follows:

	Pledges Receivable	Charitable Gift Annuities
Balance, July 1, 2021	\$ 1,787,414	\$ 21,062
Additions	539,000	-
Payments	(350,276)	-
Changes in discount	(22,928)	-
Balance, June 30, 2022	1,953,210	21,062
Additions	2,620,635	-
Payments	(1,338,599)	-
Changes in discount	(223,704)	-
Balance, June 30, 2023	\$ 3,011,542	\$ 21,062

Human Resources Development Council of District IX, Inc.
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

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, 2023 and 2022:

	2023	2022
Furniture and equipment	\$ 607,970	\$ 607,969
Vehicles	6,967,877	6,763,720
Land and improvements	7,562,728	7,635,367
Buildings	14,762,882	14,762,883
Leasehold improvements	1,053,093	1,020,845
Less: accumulated depreciation	(12,206,628)	(10,888,029)
Total land, buildings, equipment, and vehicles	<u>18,747,922</u>	<u>19,902,755</u>
Software	139,440	139,440
Less: accumulated depreciation	(139,440)	(139,440)
Total software	<u>-</u>	<u>-</u>
Right-to-use-assets	586,970	387,716
Construction in progress	15,289,198	4,376,581
Total property and equipment	<u>\$ 34,624,090</u>	<u>\$ 24,667,052</u>

Presented on the consolidated statements of
financial position as:

Construction in progress	\$ 15,289,198	\$ 4,376,581
Property and equipment, net, federal constraints	6,481,385	7,176,219
Property and equipment, net	12,266,537	12,726,536
Right-to-use-assets	586,970	387,716
Total	<u>\$ 34,624,090</u>	<u>\$ 24,667,052</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

NOTE 7. UNEARNED REVENUE

Unearned revenue consists of cash received from grantors that was not earned as of June 30, 2023 and 2022. The activity in the unearned revenue account is as follows:

	2023	2022
Unearned revenue, beginning of year	\$ 4,952,854	\$ 4,152,591
Grant awards received	7,502,596	8,232,500
Grant expenditures	(8,990,337)	(7,432,237)
Gross unearned revenue, end of year	3,465,113	4,952,854
Less: amount not received in cash	(3,449,444)	(4,899,712)
Net unearned revenue	\$ 15,669	\$ 53,142

NOTE 8. NOTES PAYABLE

HRDC's notes payable at June 30, 2023 and 2022, are as follows:

	Original Loan Amount	2023 Balance Outstanding	2022 Balance Outstanding
First Security Bank	\$ 660,578	\$ 323,961	\$ 337,766
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	4.21%		
Terms	Resets every 7 years to 3.00% above the Federal Home Loan Bank Bullet Rate (1.21% at June 5, 2023).		
Collateral	First lien on the West Babcock Apartments and guaranteed by HRDC.		
City of Bozeman Community Affordable Housing	\$ 150,000	\$ 17,499	\$ 22,499
Original 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.		

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

NOTE 8. NOTES PAYABLE (Continued)

		Original Loan Amount	2023 Balance Outstanding	2022 Balance Outstanding
U.S. Department of Agriculture - Rural Development		\$ 116,415	\$ 73,242	\$ 76,211
Original 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	\$ 18,848	\$ 19,615
Original loan date	October 6, 1999			
Maturity date	October 3, 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	\$ 309,701	\$ 319,865
Original 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	\$ 34,275	\$ 42,850
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 0.50% above the <i>Wall Street Journal</i> Prime Rate (5.00% in June 2018).			
Collateral	First lien on the Gallatin Valley Food Bank building and land.			
Stockman Bank of Montana		\$ 252,287	\$ 154,904	\$ 166,372
Original loan date	April 17, 2013			
Maturity date	May 17, 2033			
Monthly payment	\$ 1,633			
Interest rate	7.82%			
Terms	Resets every 10 years to 4.00% above the 5-year U.S. Treasury Constant Maturity Index (3.82% in April 2023).			
Collateral	First lien on the HRDC Annex building.			

Human Resources Development Council of District IX, Inc.
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 8. NOTES PAYABLE (Continued)

		<u>Original Loan Amount</u>	<u>2023 Balance Outstanding</u>	<u>2022 Balance Outstanding</u>
First Security Bank		\$ 275,000	\$ 115,786	\$ 123,565
Original 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 Agriculture - Rural Development		\$ 438,100	\$ 438,100	\$ 438,100
Original loan date	September 30, 2006			
Maturity date	January 1, 2037			
Monthly payment	\$ -			
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	\$ 76,973	\$ 79,221
Original 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.			

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

NOTE 8. NOTES PAYABLE (Continued)

		Original Loan Amount	2023 Balance Outstanding	2022 Balance Outstanding
First Security Bank		\$ 540,000	\$ 447,408	\$ 468,286
Original 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 (1.59% in July 2022) with a minimum rate of 4.78%			
Collateral	First lien on the Belgrade Child Care Center building and land.			
First Security Bank		\$ 1,342,500	\$ 1,113,053	\$ 1,166,112
Original loan date	October 23, 2017			
Maturity date	October 23, 2037			
Monthly payment	\$ 8,842			
Interest rate	4.09%			
Terms	Resets every 5 years to 2.50% above the Federal Home Loan Bank of Des Moines 5-year long-term fixed rate (1.59% in October 2022) 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
Original 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
Original 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 Lendor) on 2 parcels of land on E. Griffin and Wheat Drive in Bozeman, MT.			

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

NOTE 8. NOTES PAYABLE (Continued)

		Original Loan Amount	2023 Balance Outstanding	2022 Balance Outstanding
First Security Bank		\$ 423,750	\$ 387,704	\$ 397,646
Original 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.			
Yellowstone Bank		\$ 1,462,500	\$ 1,246,301	\$ 1,324,122
Original 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 3.50% 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
Original 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.			
First Security Bank		\$ 656,250	\$ 615,595	\$ 632,012
Original 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.			

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

NOTE 8. NOTES PAYABLE (Continued)

		Original Loan Amount	2023 Balance Oustanding	2022 Balance Oustanding
Neighborworks Montana		\$ 220,000	\$ 220,000	\$ 220,000
Original loan date	February 17, 2021			
Maturity date	February 28, 2023			
Monthly 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	\$ 853,032	\$ 871,172
Original 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 Livingston Land Trust Subdivision in Livingston, MT.			
Neighborworks Montana		\$ 200,000	\$ 190,286	\$ 194,051
Original 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 Livingston Land Trust Subdivision in Livingston, MT.			
First Security Bank		\$ 3,756,409	\$ 3,287,962	\$ 3,756,409
Original 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 the 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.			

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

NOTE 8. NOTES PAYABLE (Continued)

		Original Loan Amount	2023 Balance Outstanding	2022 Balance Outstanding
MoFi		\$ 2,987,967	\$ 3,060,467	\$ 2,987,967
Original 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>14,110,097</u>	<u>\$ 16,063,089</u>

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

2024	\$ 775,657
2025	815,861
2026	1,072,438
2027	888,375
2028	924,922
Thereafter	<u>9,632,844</u>
Total	<u>\$ 14,110,097</u>

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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

NOTE 8. NOTES PAYABLE (Continued)

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

		Original Loan Amount	2023 Balance Outstanding	2022 Balance Outstanding
Home Corporation (West Babcock Apartments) - Smyth funds		\$ 200,000	\$ 149,947	\$ 155,906
Original 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	\$ 500,000
Original loan date	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	\$ 10,484,950
Original loan date	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			\$ 11,134,897	\$ 11,140,856

Human Resources Development Council of District IX, Inc.
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

NOTE 8. NOTES PAYABLE (Continued)

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

	<u>2023</u>	<u>2022</u>
Other temporary intercompany loans		
Koch Home 8%	\$ 10,319	\$ 13,429
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	750,088
Livingston Land Trust Cottages 0%	173,790	173,790
Cottages at Menicucci Square 0%	550,585	550,584
HRDC NMTC/Capital Campaign 0%	<u>1,045,595</u>	<u>1,045,595</u>
Total other temporary intercompany loans	<u>\$ 3,286,041</u>	<u>\$ 3,289,150</u>

NOTE 9. LEASES

Effective July 1, 2022, HRDC adopted the new lease accounting guidance in Accounting Standards Update No. 2016-02, Leases (Topic 842). HRDC has elected the package of practical expedients permitted in ASC Topic 842. Accordingly, HRDC accounted for its existing operating leases as operating leases under the new guidance, without reassessing (a) whether the contract contains a lease under ASC Topic 842, (b) whether classification of the capital lease would be different in accordance with ASC Topic 842, or (c) whether the unamortized initial direct costs before transition adjustments (as of June 30, 2022) would have met the definition of initial direct costs in ASC Topic 842 at lease commencement. As a result of the adoption of the new lease accounting guidance, HRDC recognized on June 30, 2022 a lease liability at the carrying amount of the lease obligation and a right-of-use asset of \$387,716. Adoption of ASC Topic 842 had no effect on previously reported net assets.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

NOTE 9. LEASES (Continued)

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 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 leased a new network copier/printer system for \$3,699 per month under a 5-year term beginning March 2023.

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. This lease has been renewed through September 2023.

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

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 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

NOTE 9. LEASES (Continued)

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 for office space in White Sulphur Springs in August 2022 through August 2024. Monthly payments are \$600.

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 2023 and 2022, respectively. Future minimum payments due under lease agreements is as follows:

<u>Years Ending June 30,</u>		
2024	\$	243,224
2025		141,424
2026		58,330
2027		47,318
2028		14,736
	\$	<u>505,032</u>

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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

NOTE 10. EMPLOYEE BENEFITS (Continued)

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, 2023 and 2022, 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 \$614,038 and \$562,985 for insurance premiums for the years ended June 30, 2023 and 2022, 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, 2023, 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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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, 2023 and 2022. 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%.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

NOTE 13. PLANNED GIFT LIABILITIES (Continued)

The following table summarizes the change to planned gift liabilities for the year ended June 30, 2023 and 2022:

Estimated present value of liability at July 1, 2021	\$ 21,062
Increase in estimated present value of liability from contributions	-
Estimated present value of liability at June 30, 2022	<u>21,062</u>
Increase in estimated present value of liability from contributions	-
Estimated present value of liability at June 30, 2023	<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, 2023, 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 14. ENDOWMENT NET ASSETS (Continued)

Interpretation of Relevant Law

HRDC has interpreted the Montana Uniform Prudent Management of Institutional Funds Act (MUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result, HRDC classifies as donor-restricted net assets (a) the original value of gifts donated to the permanent endowment, and (b) the original value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified in donor-restricted net assets is classified as net assets without donor restrictions until those amounts are appropriated for expenditure by the HRDC in a manner consistent with the standard of prudence prescribed by MUPMIFA.

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

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

Funds with Deficiencies

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

These deficiencies result from unfavorable market fluctuations that occur during the investment of contributions and continued appropriation, if any, for certain programs that are deemed prudent by the Board of Directors. There were no such deficiencies as of June 30, 2023 and 2022.

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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

NOTE 14. ENDOWMENT NET ASSETS (Continued)

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 2023 and 2022.

Endowment net asset composition by type of fund as of June 30, 2023 and 2022, are as follows:

	<u>With Donor Restrictions</u>
<u>2023</u>	
Donor-restricted endowment funds	\$ <u>224,128</u>
<u>2022</u>	
Donor-restricted endowment funds	\$ <u>219,128</u>

Changes in HRDC General Endowment net assets for the years ended June 30, 2023 and 2022, are as follows:

	<u>With Donor Restrictions</u>
Endowment net assets, July 1, 2021	\$ <u>209,128</u>
Contributions and transfers	<u>10,000</u>
Endowment net assets, June 30, 2022	219,128
Contributions and transfers	<u>5,000</u>
Endowment net assets, June 30, 2023	\$ <u>224,128</u>

NOTE 15. RELATED PARTIES

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

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

NOTE 15. RELATED PARTIES (Continued)

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

NOTE 16. CONCENTRATION OF RISK

HRDC has invested in apartment complex buildings and equipment with a cost basis of \$6,180,198 and net book value of \$3,354,183 as of June 30, 2023, 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, 2023, revenues generated from rental operations were \$1,086,287 or 3% of the HRDC's total revenues. Corresponding debt service payments made to third parties were \$575,737 for the year with total outstanding debts related to the apartment units of \$4,182,232, or 24%, 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, 2023 and 2022, HRDC received approximately 23% and 32%, respectively, of its gross public support from such grants. HRDC also receives a significant portion of its revenues from contributions. During the years ended June 30, 2023 and 2022, HRDC received approximately 38% and 25% of its revenues from contributions, respectively.

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

NOTE 17. SUBSEQUENT EVENTS

In November and December 2023, HRDC sold their Fork and Spoon Building on North 7th, the former Gallatin Valley Food Bank location at 602 Bond Street, and the HRDC Head Start Administrative Annex at 33 S. Tracy. These properties, sold for \$1.6 million, \$1.1 Million, and \$1.385 Million respectively, were all planned sales related to moving into the Marketplace Building at Community Commons at 206 E Griffin Drive. The mortgages were all paid off at closing, and the internal loan for the annex was also paid back to HRDC corporate funds.

In December 2023, HRDC entered into a contract to purchase a Mobile Home Park at 315 W Main Street in Belgrade, MT in the amount of \$1.42 Million. The purpose of this was to purchase to maintain 19 units of existing stock of naturally occurring affordable housing units. The closing date of this purchase is February 9th, 2024.

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 was completed in summer of 2023 and the remaining 7 units are being filled with tenants monthly on a rolling basis.

Additionally, construction was completed on the North Building at Community Commons, known as the Marketplace Building, which holds HRDC's Gallatin Valley Food Bank Operations, our Pay-What-You-Can Restaurant, the Fork and Spoon, and a variety of other supportive service programs such as housing, senior services, energy assistance, and more. Construction is ongoing on the South Building, which is known as Homeward Point, and will function as a purpose-built emergency shelter with wrap-around services for those in our community who struggle to maintain stable housing.

Management has evaluated events through February 1, 2024, the date on which the financial statements were available for issue.

SUPPLEMENTAL INFORMATION SECTION

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

EXPLANATION OF SUPPLEMENTAL SCHEDULES
June 30, 2023 and 2022

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 Resources Development Council of District IX, Inc.
Bozeman, Montana

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
June 30, 2023

	HRDC	HRDC Properties	Disregarded Entities (LLCs)	Home Corporation	Sherwood Inn Apts., Inc.	Summit Apts., Inc	HRDC Griffin Place Holding Co.	Eliminations	Consolidated Total
ASSETS									
Cash and cash equivalents	\$ 6,393,372	\$ 377,738	\$ 250,741	\$ 69,181	\$ 12,203	\$ 3,074	\$ -	\$ -	\$ 7,106,309
Escrow and building reserve	25,000	71,169	-	214,017	-	92,233	-	-	402,419
Cash restricted for capital campaign	368,210	-	-	-	-	-	2,174,985	-	2,543,195
Receivables (Note 3)									
Grantors	2,493,781	-	-	-	-	-	-	-	2,493,781
Accounts receivable, net	2,036,156	102,998	48,911	10,321	(500)	(1,000)	-	(445,476)	1,751,410
Pledges receivable, net	3,011,542	-	-	-	-	-	-	-	3,011,542
Prepaid expenses	244,397	-	-	2,013	-	-	-	-	246,410
Investments (Note 4)	6,486,576	-	-	-	-	-	-	-	6,486,576
Inventory - supplies and food bank	225,124	-	-	-	-	-	-	-	225,124
Inventory - condominiums, federal constraints	323,076	-	-	-	-	-	-	-	323,076
Inventory - condominiums	-	-	-	-	-	-	-	-	-
Deferred loans receivable, net (Note 3)	15,347,550	-	1,332,000	-	-	-	-	(11,364,272)	5,315,278
Investment in partnership	5,047,978	-	1	-	-	-	-	(5,047,979)	-
Construction in progress (Note 6)	2,422,339	-	-	-	-	-	12,866,859	-	15,289,198
Right-of-use assets	586,970	-	-	-	-	-	-	-	586,970
Property and equipment, net, federal constraints (Not	5,833,261	-	-	375,057	45,400	227,667	-	-	6,481,385
Property and equipment, net (Note 6)	4,385,022	6,380,501	-	-	-	1,014	1,500,000	-	12,266,537
Total assets	<u>55,230,354</u>	<u>6,932,406</u>	<u>1,631,653</u>	<u>670,589</u>	<u>57,103</u>	<u>322,988</u>	<u>16,541,844</u>	<u>(16,857,727)</u>	<u>64,529,210</u>
LIABILITIES									
Accounts payable	\$ 585,565	\$ 363,964	\$ -	\$ 20,862	\$ 975	\$ 5,473	\$ 479,426	\$ (445,476)	\$ 1,010,789
Accrued liabilities	998,416	-	-	526	-	-	-	-	998,942
Accrued vacation, sick, and paid time off	268,144	-	-	-	-	-	-	-	268,144
Accrued interest payable	5,638	-	-	-	-	-	3,236	-	8,874
Deposits payable	36,819	45,193	-	19,184	1,244	1,519	355,645	-	459,604
Unearned revenue (Note 7)	15,669	0	-	-	-	-	-	-	15,669
Lease liability	586,970	-	-	-	-	-	-	-	586,970
Notes payable (Note 8)	5,742,398	4,132,047	-	491,407	-	438,100	14,670,417	(11,364,272)	14,110,097
Total liabilities	<u>8,239,619</u>	<u>4,541,204</u>	<u>-</u>	<u>531,979</u>	<u>2,219</u>	<u>445,092</u>	<u>15,508,724</u>	<u>(11,809,748)</u>	<u>17,459,089</u>
NET ASSETS									
Without donor restrictions									
Undesignated	25,216,138	2,391,202	1,631,653	(236,447)	9,484	(349,771)	1,033,120	(5,047,979)	24,647,400
Federal constrained inventory and capital assets	6,156,337	-	-	375,057	45,400	227,667	-	-	6,804,461
Total net assets without donor restrictions	31,372,475	2,391,202	1,631,653	138,610	54,884	(122,104)	1,033,120	(5,047,979)	31,451,861
With donor restrictions									
Purpose or time restrictions	15,394,132	-	-	-	-	-	-	-	15,394,132
Perpetual in nature (endowment)	224,128	-	-	-	-	-	-	-	224,128
Total net assets with donor restrictions	15,618,260	-	-	-	-	-	-	-	15,618,260
Total net assets	<u>46,990,735</u>	<u>2,391,202</u>	<u>1,631,653</u>	<u>138,610</u>	<u>54,884</u>	<u>(122,104)</u>	<u>1,033,120</u>	<u>(5,047,979)</u>	<u>47,070,121</u>
Total liabilities and net assets	<u>\$ 55,230,354</u>	<u>\$ 6,932,406</u>	<u>\$ 1,631,653</u>	<u>\$ 670,589</u>	<u>\$ 57,103</u>	<u>\$ 322,988</u>	<u>\$ 16,541,844</u>	<u>\$ (16,857,727)</u>	<u>\$ 64,529,210</u>

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

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	\$ 5,396,764	\$ 185,067	\$ 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	1,664,596	107,793	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
Right-to-use assets	387,716	-	-	-	-	-	-	-	-	-	-	-	387,716
Property and equipment, net, federal constraints	6,459,400	-	-	427,007	-	-	-	-	47,247	242,565	-	-	7,176,219
Property and equipment, net (Note 6)	4,516,868	6,708,316	-	-	-	-	-	-	-	1,352	1,500,000	-	12,726,536
Total assets	<u>46,914,571</u>	<u>7,047,063</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>56,799,022</u>
LIABILITIES													
Accounts payable	\$ 585,461	\$ 190,088	\$ 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	12,435	12,169	-	1,717	-	-	-	-	-	-	-	-	26,321
Deposits payable	25,598	46,621	-	16,727	-	-	-	-	938	1,798	58,369	-	150,051
Unearned revenue (Note 7)	53,142	-	-	-	-	-	-	-	-	-	-	-	53,142
Lease liability	387,716	-	-	-	-	-	-	-	-	-	-	-	387,716
Notes payable (Note 8)	6,817,151	4,683,980	-	516,171	-	-	-	-	-	438,100	14,972,917	(11,365,230)	16,063,089
Total liabilities	<u>8,981,547</u>	<u>4,932,858</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>18,998,640</u>
NET ASSETS													
Without donor restrictions													
Undesignated	22,221,121	2,114,205	1,624,122	112,202	-	-	-	-	4,751	(311,717)	553,392	(4,519,409)	21,798,667
Federal constrained inventory and capital assets	6,782,476	-	-	-	-	-	-	-	47,247	242,565	-	-	7,072,288
Total net assets without donor restrictions	29,003,597	2,114,205	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	<u>8,929,427</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,929,427</u>
Total net assets	<u>37,933,024</u>	<u>2,114,205</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>\$ 46,914,571</u>	<u>\$ 7,047,063</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>\$ 56,799,022</u>

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

CONSOLIDATING SCHEDULE OF ACTIVITIES
June 30, 2023

	HRDC	HRDC Properties	Disregarded Entities (LLCs)	Home Corporation	Sherwood Inn Apts., Inc.	Summit Apts., Inc	HRDC Griffin Place Holding Co.	Eliminations	Consolidated Total
NET ASSETS WITHOUT DONOR RESTRICTIONS									
REVENUES									
Contract Revenue	\$ 1,084,444	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (47,011)	\$ 1,037,433
Developers' fee	-	-	465,571	-	-	-	-	-	465,571
Revenue from partnership	-	-	1	-	-	-	-	-	1
Rental income	69,896	712,029	-	231,509	11,257	61,596	-	-	1,086,287
City/County/Local Government support	1,247,107	555,000	1,000,000	-	-	-	-	-	2,802,107
Net loss on sale of manufactured homes and condominiums	-	-	-	-	-	-	-	-	-
Contributions of cash and other financial assets:									
Grants:									
Federal	7,435,491	-	-	-	-	-	-	-	7,435,491
State	748,828	-	-	-	-	-	-	-	748,828
Private	542,305	-	-	-	-	-	-	-	542,305
Pledged contributions	927,616	-	-	-	-	-	-	-	927,616
Contributions & fundraising	5,061,645	50,000	-	-	-	-	-	-	5,111,645
Nonfinancial asset contributions (food and services)	3,289,076	-	-	-	-	-	-	-	3,289,076
Net investment (loss) income	296,924	52	8,320	210	6	188	-	-	305,700
Gain from subsidiaries	528,570	-	-	-	-	-	-	(528,570)	-
Gain on sale of property	178,052	-	130	-	-	-	-	-	178,182
Forgiveness of debt	516,042	-	-	-	-	-	375,685	-	891,727
Net gain (loss) on sale of housing properties	-	-	-	-	-	-	-	-	-
Other	115,243	6,550	-	-	-	-	-	-	121,793
Net assets released from program restrictions	152,810	-	-	-	-	-	-	-	152,810
Total revenues	22,194,049	1,323,631	1,474,022	231,719	11,263	61,784	375,685	(575,581)	25,096,572
EXPENSES									
Program services:									
Energy	887,744	-	-	-	-	-	-	-	887,744
Food and nutrition	5,409,865	-	-	-	-	-	-	-	5,409,865
Senior citizens	511,451	-	-	-	-	-	-	-	511,451
Community development	868,171	-	-	-	-	-	-	-	868,171
Economic and youth development	661,986	-	-	-	-	-	-	-	661,986
Housing	3,284,397	1,041,522	1,047	205,311	8,377	114,736	64,995	(47,011)	4,673,374
Early childhood education	2,101,791	-	-	-	-	-	-	-	2,101,791
Transportation	3,612,543	-	-	-	-	-	-	-	3,612,543
Total program services	17,337,948	1,041,522	1,047	205,311	8,377	114,736	64,995	(47,011)	18,726,925
Supporting services									
Administration	2,143,487	-	-	-	-	-	-	-	2,143,487
Fundraising	645,254	-	-	-	-	-	-	-	645,254
Total supporting services	2,788,741	-	-	-	-	-	-	-	2,788,741
Total expenses	20,126,689	1,041,522	1,047	205,311	8,377	114,736	64,995	(47,011)	21,515,666
Change in net assets without donor restrictions	2,067,360	282,109	1,472,975	26,408	2,886	(52,952)	310,690	(528,570)	3,580,906
NET ASSETS WITH DONOR RESTRICTIONS									
Purpose or time restricted contributions and income	6,836,643	-	-	-	-	-	-	-	6,836,643
Perpetually restricted contributions	5,000	-	-	-	-	-	-	-	5,000
Net assets released from program restrictions	(152,810)	-	-	-	-	-	-	-	(152,810)
Change in net assets with donor restrictions	6,688,833	-	-	-	-	-	-	-	6,688,833
Transfers in	514,442	44,888	-	-	-	-	169,038	(728,368)	-
Transfers out	(212,924)	(50,000)	(465,444)	-	-	-	-	728,368	-
Net transfers in (out)	301,518	(5,112)	(465,444)	-	-	-	169,038	-	-
Change in total net assets	9,057,711	276,997	1,007,531	26,408	2,886	(52,952)	479,728	(528,570)	10,269,739
Net assets, beginning of year	37,933,024	2,114,205	1,624,122	112,202	51,998	(69,152)	553,392	(4,519,409)	37,800,382
Capital contribution	-	-	-	-	-	-	-	-	-
Capital distribution	-	-	-	-	-	-	-	-	-
Investment in partnership interest	-	-	(1,000,000)	-	-	-	-	-	(1,000,000)
Net assets, end of year	\$ 46,990,735	\$ 2,391,202	\$ 1,631,653	\$ 138,610	\$ 54,884	\$ (122,104)	\$ 1,033,120	\$ (5,047,979)	\$ 47,070,121

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

CONSOLIDATING SCHEDULE OF ACTIVITIES
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	67,704	837,502	-	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	<u>15,277,355</u>	<u>830,502</u>	<u>997,406</u>	<u>211,403</u>	<u>-</u>	<u>42,371</u>	<u>-</u>	<u>15,412</u>	<u>78,847</u>	<u>58,611</u>	<u>-</u>	<u>3,410,618</u>	<u>20,922,525</u>
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	2,440,384	868,384	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	<u>18,448,532</u>	<u>868,384</u>	<u>22,197</u>	<u>175,154</u>	<u>820</u>	<u>(2,252)</u>	<u>820</u>	<u>16,466</u>	<u>11,819</u>	<u>52,018</u>	<u>518,185</u>	<u>(49,820)</u>	<u>20,062,323</u>
Supporting services													
Administration	1,604,257	-	-	-	-	-	-	-	-	-	-	-	1,604,257
Fundraising	523,448	-	-	-	-	-	-	-	-	-	-	-	523,448
Total supporting services	<u>2,127,705</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,127,705</u>
Total expenses	<u>20,576,237</u>	<u>868,384</u>	<u>22,197</u>	<u>175,154</u>	<u>820</u>	<u>(2,252)</u>	<u>820</u>	<u>16,466</u>	<u>11,819</u>	<u>52,018</u>	<u>518,185</u>	<u>(49,820)</u>	<u>22,190,028</u>
Change in net assets without donor restrictions	(5,298,882)	(37,882)	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	<u>4,076,756</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,076,756</u>
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)	<u>4,484,836</u>	<u>1,668,719</u>	<u>(3,058,654)</u>	<u>(20,000)</u>	<u>(1,883,102)</u>	<u>(708,037)</u>	<u>(18,081)</u>	<u>(195,006)</u>	<u>(270,675)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in total net assets	3,262,710	1,630,837	(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	34,670,314	483,368	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	<u>\$ 37,933,024</u>	<u>\$ 2,114,205</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>

See Independent Auditors' Report

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

SCHEDULE OF FINANCIAL POSITION FOR HRDC PROPERTIES
June 30, 2023

	HRDC Colo. Apt.	HRDC West Edge	Cottages at Menicucci Square	Livingston Cottages	Housing First Village	Wheat Hotel	HRDC Properties Total
ASSETS							
Cash and cash equivalents	\$ 35,046	\$ 30,957	\$ 55,793	\$ 13,922	\$ 90,179	\$ 151,841	\$ 377,738
Escrow and building reserve	39,900	-	-	31,269	-	-	71,169
Receivables							-
Accounts receivable, net	4,230	3,140	21,908	7,906	35,562	30,252	102,998
Prepaid expenses	-	-	-	-	-	-	-
Deferred notes receivable	-	-	-	-	-	-	-
Property and equipment, net (Note 6)	18,370	-	1,504,362	1,062,443	2,015,326	1,780,000	6,380,501
Total assets	<u>\$ 97,546</u>	<u>\$ 34,097</u>	<u>\$ 1,582,063</u>	<u>\$ 1,115,540</u>	<u>\$ 2,141,067</u>	<u>\$ 1,962,093</u>	<u>\$ 6,932,406</u>
LIABILITIES							
Accounts payable	\$ 3,491	\$ 931	\$ 108,743	\$ 87,895	\$ 68,060	\$ 94,844	\$ 363,964
Accrued interest payable	-	-	-	-	-	-	-
Deposits payable	4,707	2,610	20,596	11,279	3,200	2,801	45,193
Unearned revenue (Note 7)	-	-	-	-	-	-	0
Notes payable (Note 8)	-	-	1,663,638	1,217,108	5,000	1,246,301	4,132,047
Total liabilities	<u>8,198</u>	<u>3,541</u>	<u>1,792,977</u>	<u>1,316,282</u>	<u>76,260</u>	<u>1,343,946</u>	<u>4,541,204</u>
NET ASSETS							
Without donor restrictions							
Undesignated	89,348	30,556	(210,914)	(200,742)	2,064,807	618,147	2,391,202
Total net assets without donor restrictions	<u>89,348</u>	<u>30,556</u>	<u>(210,914)</u>	<u>(200,742)</u>	<u>2,064,807</u>	<u>618,147</u>	<u>2,391,202</u>
With donor restrictions							
Purpose or time restrictions	-	-	-	-	-	-	-
Perpetual in nature (endowment)	-	-	-	-	-	-	-
Total net assets with donor restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net assets	<u>89,348</u>	<u>30,556</u>	<u>(210,914)</u>	<u>(200,742)</u>	<u>2,064,807</u>	<u>618,147</u>	<u>2,391,202</u>
Total liabilities and net assets	<u>\$ 97,546</u>	<u>\$ 34,097</u>	<u>\$ 1,582,063</u>	<u>\$ 1,115,540</u>	<u>\$ 2,141,067</u>	<u>\$ 1,962,093</u>	<u>\$ 6,932,406</u>

See Independent Auditors' Report

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

SCHEDULE OF FINANCIAL POSITION FOR HRDC PROPERTIES
June 30, 2022

	HRDC Colo. Apt.	HRDC West Edge	Cottages at Menicucci Square	Boulevard Apartments	Livingston Cottages	Housing First Village	Wheat Hotel	HRDC Properties Total
ASSETS								
Cash and cash equivalents	25,279	\$ 64,076	\$ 47,377	\$ -	\$ 47,093	\$ -	\$ 1,242	\$ 185,067
Escrow and building reserve	33,900	-	-	-	11,987	-	-	45,887
Receivables								
Accounts receivable, net	327	-	43,251	-	2,123	-	62,092	107,793
Prepaid expenses	-	-	-	-	-	-	-	-
Deferred notes receivable	-	-	-	-	-	-	-	-
Property and equipment, net (Note 6)	19,167	-	1,603,280	-	1,124,939	2,124,263	1,836,667	6,708,316
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>\$ 1,900,001</u>	<u>\$ 7,047,063</u>
LIABILITIES								
Accounts payable	\$ 3,265	\$ 212	\$ 103,126	\$ -	\$ 77,862	\$ -	\$ 5,623	\$ 190,088
Accrued interest payable	-	-	3,858	-	3,231	-	5,080	12,169
Deposits payable	6,143	5,262	23,147	-	11,139	-	930	46,621
Notes payable (Note 8)	-	-	1,716,697	-	1,239,013	-	1,728,270	4,683,980
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>1,739,903</u>	<u>4,932,858</u>
NET ASSETS								
Without donor restrictions								
Undesignated	69,265	58,602	(152,920)	-	(145,103)	2,124,263	160,098	2,114,205
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>160,098</u>	<u>2,114,205</u>
With donor restrictions								
Purpose or time restrictions	-	-	-	-	-	-	-	-
Perpetual in nature (endowment)	-	-	-	-	-	-	-	-
Total net assets with donor restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<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>160,098</u>	<u>2,114,205</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>\$ 1,900,001</u>	<u>\$ 7,047,063</u>

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

SCHEDULE OF ACTIVITIES FOR HRDC PROPERTIES
For the Year Ended June 30, 2023

	HRDC Colo. Apts.	HRDC West Edge	Cottages at Menicucci Square	Livingston Cottages	Housing First Village	Wheat Hotel	HRDC Properties Total
NET ASSETS WITHOUT DONOR RESTRICTIONS							
REVENUES							
Rental income	\$ 61,210	\$ 33,780	\$ 174,172	\$ 115,180	\$ 73,620	\$ 254,067	\$ 712,029
Federal grants	-	-	-	-	-	555,000	555,000
Net investment income	11	-	21	20	-	-	52
Loss on sale of property	-	-	-	-	-	-	-
Contributions	-	-	-	-	50,000	-	50,000
Other	2	-	-	-	-	6,548	6,550
Total revenues	<u>61,223</u>	<u>33,780</u>	<u>174,193</u>	<u>115,200</u>	<u>123,620</u>	<u>815,615</u>	<u>1,323,631</u>
EXPENSES							
Program services:							
Housing	<u>41,140</u>	<u>11,826</u>	<u>232,187</u>	<u>170,839</u>	<u>227,964</u>	<u>357,566</u>	<u>1,041,522</u>
Total program services	<u>41,140</u>	<u>11,826</u>	<u>232,187</u>	<u>170,839</u>	<u>227,964</u>	<u>357,566</u>	<u>1,041,522</u>
Total expenses	<u>41,140</u>	<u>11,826</u>	<u>232,187</u>	<u>170,839</u>	<u>227,964</u>	<u>357,566</u>	<u>1,041,522</u>
Change in net assets without donor restrictions	20,083	21,954	(57,994)	(55,639)	(104,344)	458,049	282,109
Transfers in	-	-	-	-	44,888	-	44,888
Transfers out	-	(50,000)	-	-	-	-	(50,000)
Net transfers in (out)	<u>-</u>	<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>44,888</u>	<u>-</u>	<u>(5,112)</u>
Change in total net assets	20,083	(28,046)	(57,994)	(55,639)	(59,456)	458,049	276,997
Net assets, beginning of year	<u>69,265</u>	<u>58,602</u>	<u>(152,920)</u>	<u>(145,103)</u>	<u>2,124,263</u>	<u>160,098</u>	<u>2,114,205</u>
Net assets, end of year	<u>\$ 89,348</u>	<u>\$ 30,556</u>	<u>\$ (210,914)</u>	<u>\$ (200,742)</u>	<u>\$ 2,064,807</u>	<u>\$ 618,147</u>	<u>\$ 2,391,202</u>

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

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	Wheat Hotel	HRDC Properties Total
NET ASSETS WITHOUT DONOR RESTRICTIONS								
REVENUES								
Rental Income	\$ 55,682	\$ 33,781	\$ 174,557	\$ -	\$ 113,154	\$ -	\$ 460,328	\$ 837,502
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>460,328</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>328,561</u>	<u>868,384</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>328,561</u>	<u>868,384</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>328,561</u>	<u>868,384</u>
Change in net assets without donor restrictions	24,317	21,446	(66,814)	(19,406)	(37,721)	(91,471)	131,767	(37,882)
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>-</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>-</u>	<u>1,668,719</u>
Change in total net assets	(9,373)	21,446	(66,814)	(532,731)	(37,721)	2,124,263	131,767	1,630,837
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>28,331</u>	<u>483,368</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>\$ 160,098</u>	<u>\$ 2,114,205</u>

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

SCHEDULE OF FINANCIAL POSITION FOR HRDC DISREGARDED ENTITIES (LLC)
June 30, 2023

	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	\$ 13,714	\$ -	\$ -	\$ -	\$ -	(180)	237,207	\$ 250,741
Receivables								
Interest	48,911	-	-	-	-	-	-	48,911
Accounts receivable, net	-	-	-	-	-	-	-	-
Deferred loans receivable, net	832,000	-	500,000	-	-	-	-	1,332,000
Investment in partnership	-	-	-	1	-	-	-	1
Total assets	<u>\$ 894,625</u>	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (180)</u>	<u>\$ 237,207</u>	<u>\$ 1,631,653</u>
LIABILITIES								
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS								
Without donor restrictions								
Undesignated	<u>894,625</u>	<u>-</u>	<u>500,000</u>	<u>1</u>	<u>-</u>	<u>(180)</u>	<u>237,207</u>	<u>1,631,653</u>
Total net assets without donor restrictions	<u>894,625</u>	<u>-</u>	<u>500,000</u>	<u>1</u>	<u>-</u>	<u>(180)</u>	<u>237,207</u>	<u>1,631,653</u>
Total net assets	<u>894,625</u>	<u>-</u>	<u>500,000</u>	<u>1</u>	<u>-</u>	<u>(180)</u>	<u>237,207</u>	<u>1,631,653</u>
Total liabilities and net assets	<u>\$ 894,625</u>	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (180)</u>	<u>\$ 237,207</u>	<u>\$ 1,631,653</u>

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

SCHEDULE OF FINANCIAL POSITION FOR HRDC DISREGARDED ENTITIES (LLC)
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	\$ -	\$ 75	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75
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	886,945	-	500,000	(89)	(40)	-	237,306	1,624,122
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>

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

SCHEDULE OF ACTIVITIES FOR HRDC DISREGARDED ENTITIES (LLC)
For the Year Ended June 30, 2023

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Developer's fee	-	20,917	304,140	-	-	-	140,514	465,571
Revenue from partnership	-	-	-	-	-	-	1	1
Federal/City/County/Local Government support	-	-	-	-	-	-	1,000,000	1,000,000
Net investment income	8,320	-	-	-	-	-	-	8,320
Other	-	-	-	90	40	-	-	130
Total revenues	<u>8,320</u>	<u>20,917</u>	<u>304,140</u>	<u>90</u>	<u>40</u>	<u>-</u>	<u>1,140,515</u>	<u>1,474,022</u>
EXPENSES								
Program services:								
Housing	640	50	77	-	-	180	100	1,047
Total program services	<u>640</u>	<u>50</u>	<u>77</u>	<u>-</u>	<u>-</u>	<u>180</u>	<u>100</u>	<u>1,047</u>
Total expenses	<u>640</u>	<u>50</u>	<u>77</u>	<u>-</u>	<u>-</u>	<u>180</u>	<u>100</u>	<u>1,047</u>
Change in net assets without donor restrictions	<u>7,680</u>	<u>20,867</u>	<u>304,063</u>	<u>90</u>	<u>40</u>	<u>(180)</u>	<u>1,140,415</u>	<u>1,472,975</u>
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	(20,867)	(304,063)	-	-	-	(140,514)	(465,444)
Net transfers in (out)	<u>-</u>	<u>(20,867)</u>	<u>(304,063)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(140,514)</u>	<u>(465,444)</u>
Change in total net assets	7,680	-	-	90	40	(180)	999,901	1,007,531
Net assets, beginning of year	886,945	-	500,000	(89)	(40)	-	237,306	1,624,122
Investment in partnership interest	-	-	-	-	-	-	(1,000,000)	(1,000,000)
Net assets, end of year	<u>\$ 894,625</u>	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (180)</u>	<u>\$ 237,207</u>	<u>\$ 1,631,653</u>

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

SCHEDULE OF ACTIVITIES FOR HRDC DISREGARDED ENTITIES (LLC)
For the Year Ended June 30, 2022

	BSV Rural Partners LLC	Bluebunch Flats LLC	AP LLC	Miles 2017 LLC	Darlinton 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	-	-	-	-	-	0	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>

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

THE HOME CORPORATION
SCHEDULES OF FINANCIAL POSITION (UNAUDITED)
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (net of reserved cash)	\$ 266,819	\$ 207,299
Accounts receivable	10,321	4,444
Prepaid expenses	2,013	2,013
Total current assets	<u>279,153</u>	<u>213,756</u>
PROPERTY AND EQUIPMENT		
Land	193,094	193,094
Buildings and improvements	1,558,503	1,558,503
Accumulated depreciation	<u>(1,376,540)</u>	<u>(1,324,590)</u>
Total property and equipment	<u>375,057</u>	<u>427,007</u>
OTHER ASSETS		
Cash reserved for tenant deposits	<u>16,379</u>	<u>16,587</u>
Total other assets	<u>16,379</u>	<u>16,587</u>
Total assets	<u>\$ 670,589</u>	<u>\$ 657,350</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Operating accounts payable	\$ 20,862	\$ 10,533
Accrued liabilities	526	1,717
Rent deposits	19,184	16,727
Current portion of long-term debt	<u>18,201</u>	<u>17,317</u>
Total current liabilities	<u>58,773</u>	<u>46,294</u>
LONG-TERM LIABILITIES		
Long-term debt, net of current portion	<u>473,206</u>	<u>498,854</u>
Total liabilities	<u>531,979</u>	<u>545,148</u>
NET ASSETS		
Without donor restrictions		
Undesignated	<u>138,610</u>	<u>112,202</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 670,589</u>	<u>\$ 657,350</u>

See Independent Auditors' Report

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

THE HOME CORPORATION
SCHEDULES OF ACTIVITIES (UNAUDITED)
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Rental income	\$ 231,509	\$ 210,886
Tenant fees	-	477
Interest income	210	40
Total revenues	<u>231,719</u>	<u>211,403</u>
EXPENSES		
Administration		
Advertising and leasing	166	168
Bank and misc fees	233	1,264
Bookkeeping fees	3,065	929
Legal and accounting	1,200	800
Management fees	20,121	18,645
Office supplies	1,145	214
Professional fees	-	-
Contract on-site manager	12,562	12,928
Depreciation	51,950	51,950
Insurance	14,020	4,257
Interest	20,533	21,288
Key replacement	-	184
Maintenance and supplies	36,363	23,777
Property taxes	2,694	2,542
Repairs	603	1,446
Snow plowing and lawn care	17,459	13,947
Training	68	-
Utilities, phone, garbage	23,129	20,815
Total exepsnes	<u>205,311</u>	<u>175,154</u>
Change in net assets without donor restrictions	26,408	36,249
Transfers out	-	(20,000)
Net assets without donor restrictions, beginning of year	<u>112,202</u>	<u>95,953</u>
Net assets without donor restrictions, end of year	<u>\$ 138,610</u>	<u>\$ 112,202</u>

See Independent Auditors' Report

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

THE HOME CORPORATION
SCHEDULES OF CASH FLOWS (UNAUDITED)

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received From:		
Tenants	\$ 228,089	\$ 209,989
Interest	210	40
Cash Paid For/To:		
Management and bookkeeping	(3,065)	(1,432)
Property operations	(120,625)	(111,213)
Transfers	-	(20,000)
Interest	(20,533)	(13,947)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>84,076</u>	<u>63,437</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on long-term debt	(24,764)	(20,990)
NET CASH FLOWS FROM FINANCING ACTIVITIES	<u>(24,764)</u>	<u>(20,990)</u>
Net change in cash and cash equivalents	59,312	42,447
CASH AND CASH EQUIVALENTS		
Beginning of year	223,886	181,439
End of year	\$ <u>283,198</u>	\$ <u>223,886</u>
Reconciliation to Consolidated Statements of Financial Position		
Cash and cash equivalents	\$ 266,819	\$ 207,299
Cash reserved for tenant deposits	16,379	16,587
	<u>\$ 283,198</u>	<u>\$ 223,886</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 26,408	\$ 36,249
Adjustments to reconcile change in net assets to net cash from operating activities:		
Items not affecting cash:		
Depreciation	51,950	51,950
Transfers out	-	(20,000)
Changes in operating assets and liabilities		
Accounts receivable	(5,877)	(1,374)
Accounts payable and accrued liabilities	9,138	(3,555)
Rent deposits	2,457	167
Total adjustments	<u>57,668</u>	<u>27,188</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 84,076</u>	<u>\$ 63,437</u>

See Independent Auditors' Report

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

SHERWOOD INN APARTMENTS, INC.
SCHEDULES OF FINANCIAL POSITION (UNAUDITED)
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 12,203	\$ 6,885
Accounts receivable	<u>(500)</u>	<u>(157)</u>
Total current assets	<u>11,703</u>	<u>6,728</u>
PROPERTY AND EQUIPMENT		
Land	25,850	25,850
Buildings and improvements	55,417	55,417
Accumulated depreciation	<u>(35,867)</u>	<u>(34,020)</u>
Total property and equipment	<u>45,400</u>	<u>47,247</u>
Total assets	<u>\$ 57,103</u>	<u>\$ 53,975</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Operating accounts payable	\$ 975	\$ 1,039
Rent deposits	<u>1,244</u>	<u>938</u>
Total current liabilities	<u>2,219</u>	<u>1,977</u>
Total liabilities	<u>2,219</u>	<u>1,977</u>
NET ASSETS		
Without donor restrictions		
Undesignated	<u>54,884</u>	<u>51,998</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 57,103</u>	<u>\$ 53,975</u>

See Independent Auditors' Report

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

SHERWOOD INN APARTMENTS, INC.
SCHEDULES OF ACTIVITIES (UNAUDITED)
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Rental income	\$ 11,256	\$ 12,156
Interest income	6	92
Insurance proceeds	-	4,250
Gain on sale of assets	-	62,349
Total revenues	<u>11,262</u>	<u>78,847</u>
EXPENSES		
Administration		
Bank and misc fees	24	299
Bookkeeping fees	183	33
Legal and accounting	-	800
Management fees	928	922
Office supplies	42	40
Professional fees	-	
Contract on-site manager	79	31
Depreciation	1,847	1,847
Insurance	925	88
Maintenance and supplies	1	-
Repairs	315	4,250
Training	1	-
Utilities, phone, garbage	4,031	3,509
Total exepsnes	<u>8,376</u>	<u>11,819</u>
Change in net assets without donor restrictions	2,886	67,028
Transfers out	-	(270,675)
Net assets without donor restrictions, beginning of year	51,998	384,821
Distribution to HRDC	<u>-</u>	<u>(129,176)</u>
Net assets without donor restrictions, end of year	<u>\$ 54,884</u>	<u>\$ 51,998</u>

See Independent Auditors' Report

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

SHERWOOD INN APARTMENTS, INC.
SCHEDULES OF CASH FLOWS (UNAUDITED)
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received From:		
Tenants	\$ 11,905	\$ 22,052
Interest	6	92
Cash Paid For/To:		
Management and bookkeeping	(183)	(33)
Property operations	(6,410)	(12,999)
Transfers	-	(270,675)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>5,318</u>	<u>(261,563)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash received from sale of asset	-	62,350
Net cash received from notes receivable	-	282,849
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>-</u>	<u>345,199</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Distribution to parent	-	(129,176)
Principal payments on long-term debt	-	(830,548)
NET CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>	<u>(959,724)</u>
Net change in cash and cash equivalents	5,318	(876,088)
CASH AND CASH EQUIVALENTS		
Beginning of year	6,885	882,973
End of year	<u>\$ 12,203</u>	<u>\$ 6,885</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 2,886	\$ 67,028
Adjustments to reconcile change in net assets to net cash from operating activities:		
Items not affecting cash:		
Depreciation	1,847	1,847
Gain on sale of assets	-	(62,349)
Insurance proceeds	-	(4,250)
Transfers out	-	(270,675)
Changes in operating assets and liabilities		
Accounts receivable	343	9,896
Prepaid expenses	-	10,266
Accounts payable	(64)	(13,210)
Rent deposits	306	(116)
Total adjustments	<u>2,432</u>	<u>(328,591)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 5,318</u>	<u>\$ (261,563)</u>

See Independent Auditors' Report

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

UNRESTRICTED CORPORATE FUNDS
SCHEDULES OF FINANCIAL POSITION (UNAUDITED)
June 30, 2023 and 2022

	<u>FYE 6/30/23</u>	<u>Prior Year FYE 6/30/22</u>
<u>ASSETS</u>		
Cash - Operating Savings	\$ 255,378	\$ 253,935
Cash - Operating Checking	4,940,847	4,794,605
LESS: Cash Currently Committed to HRDC Projects	<u>(815,914)</u>	<u>(3,841,156)</u>
Unrestricted Corporate Cash Available	4,380,311	1,207,384
Investments in Marketable Securities	462,540	430,837
Accounts Receivable	13,612	7,176
Deposit Receivable	450	450
Prepaid Expense	10,314	10,314
Escrow	0	50,000
Loans Receivable	2,726,168	2,726,168
Intercompany Loans Receivable	3,183,076	6,206,429
Investment in Subsidiaries	531,667	531,667
Buildings and Contruction in Progress	624,256	588,607
Land	38,767	38,767
Accumulated Depreciation	<u>(319,093)</u>	<u>(292,207)</u>
 TOTAL ASSETS	 <u>\$ 11,652,068</u>	 <u>\$ 11,505,592</u>
 <u>LIABILITIES</u>		
Accounts Payable	\$ 17,952	\$ 29,044
Rental Deposits	3,175	3,175
Lease Liability	9,905	0
Loan Payable	231,878	245,592
Intercompany Loans Payable	<u>155,674</u>	<u>158,784</u>
 TOTAL LIABILITIES	 <u>\$ 418,584</u>	 <u>\$ 436,595</u>
 <u>NET ASSETS</u>		
Net Assets, Beginning of Fiscal Year	\$ 11,068,997	\$ 4,555,781
Increase/(Decrease) in Net Assets - Current Year	<u>164,487</u>	<u>6,513,216</u>
 TOTAL NET ASSETS	 <u>\$ 11,233,484</u>	 <u>\$ 11,068,997</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 11,652,068</u>	 <u>\$ 11,505,592</u>

See Independent Auditors' Report

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

UNRESTRICTED CORPORATE FUNDS
SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
(UNAUDITED)
June 30, 2023 and 2022

	<u>FYE 6/30/23</u>	<u>Prior Year FYE 6/30/22</u>
REVENUE:		
Donations-Unrestricted (HRDC Greatest Needs)	\$ 924,798	\$ 655,504
Donations-Restricted	1,450	1,000
Fund Raising Income-Unrestricted (HRDC Greatest Needs)	218,276	69,738
Misc Income	0	750
Rent Income	72,979	73,590
Partnership Distribution Income	0	1,617
City/County/Local Government	39,998	0
Private Grant Revenue	0	68,500
Loan Interest Income	962	1,200
Investment Interest Income	68,178	28,381
Realized and Unrealized Gain/(Loss) on Investments	16,164	(79,138)
	<u>1,342,805</u>	<u>821,142</u>
TOTAL REVENUES	\$ 1,342,805	\$ 821,142
EXPENSES:		
Salaries & Fringe	\$ 628,941	\$ 448,805
Contract Services	97,412	32,614
Fund Raising Expense	21,578	16,652
Outreach/Advertising/Public Relations	21,045	4,502
Admin.Service Cost Allocations	179,741	116,213
Space	23,196	12,150
Utilities	9,196	9,377
Insurance	11,988	6,150
Interest Expense	12,425	12,283
Property Taxes	1,652	1,886
Property Management	2,867	3,700
Repairs and Maintenance	7,343	8,948
Janitorial Expense	4,123	2,815
Software	19,861	25,819
Equipment & Supplies	28,142	15,464
Travel/Training	10,762	5,959
Business Meals/Meetings	9,451	3,788
Recognition	18,759	8,417
Dues	15,215	4,835
Legal	653	3,847
Investment Management Fees	3,657	4,120
Depreciation Expense	26,886	26,886
Other	10,642	5,970
	<u>1,165,535</u>	<u>781,200</u>
TOTAL EXPENSES	\$ 1,165,535	\$ 781,200
REVENUE OVER/(UNDER) EXPENSES	\$ 177,270	\$ 39,942
Transfers In	783,173	8,155,018
Transfers Out	(795,956)	(1,681,745)
NET ASSETS, Beginning of Fiscal Year	\$ 11,068,997	\$ 4,555,781
NET ASSETS, End of Fiscal Year	\$ 11,233,484	\$ 11,068,997

See Independent Auditors' Report

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
For the Years Ended June 30, 2023 and 2022

WEATHERIZATION ASSISTANCE

Grant Period: July 1, 2021 to September 30, 2022 - LIEAP

Grant Number: DPHHS 21-028-16007-0

	----LIEAP----	
	Budget	Actual
REVENUE		
Grant	\$ 334,993	285,658
Total Revenue	<u>\$ 334,993</u>	<u>285,658</u>
EXPENSES		
Administration	\$ 18,872	17,296
Infrastructure	\$ 146,273	153,516
Program Support	169,848	116,300
Total Expenses	<u>\$ 334,993</u>	<u>287,111</u>
Revenue Over/Under Expenses	<u>\$ -</u>	(1,454)
Transfer In		\$ 1,454
Net Assets at July 1, 2021		<u>\$ 0</u>
Net Assets at September 30, 2022		<u>\$ (0)</u>

See Independent Auditors' Report

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
For the Years Ended June 30, 2023 and 2022

WEATHERIZATION ASSISTANCE

Grant Period: July 1, 2021 to September 30, 2022 - LIEAP ARPA

Grant Number: DPHHS 21-028-19090-0

	----LIEAP----	
	Budget	Actual
REVENUE		
Grant	\$ 478,245	222,130
Private Grant Revenue		5,000
Total Revenue	<u>\$ 478,245</u>	<u>227,130</u>
EXPENSES		
Administration	\$ 47,824	31,476
Program Support	430,421	199,949
Total Expenses	<u>\$ 478,245</u>	<u>231,424</u>
Revenue Over/Under Expenses	<u>\$ -</u>	(4,294)
Transfer In		4,294
Net Assets at July 1, 2021		<u>0</u>
Net Assets at September 30, 2022		<u><u>0</u></u>

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Human Resources Development Council of District IX, Inc.
Bozeman, Montana

SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
For the Years Ended June 30, 2023 and 2022

WEATHERIZATION ASSISTANCE

Grant Period: July 1, 2022 to June 30, 2023 - DOE

Grant Number: DPHHS 22-028-30027-0

	----DEPT OF ENERGY----	
	Budget	Actual
REVENUE		
Grant	\$ 137,947	136,413
Total Revenue	<u>\$ 137,947</u>	<u>136,413</u>
EXPENSES		
Administration	\$ 19,175	24,914
Program Operations	80,090	80,140
Liability Insurance	7,167	6,971
Financial Audit	1,500	1,071
Training & Technical Assistance	16,000	15,091
Health & Safety	14,015	14,683
Total Expenses	<u>\$ 137,947</u>	<u>142,870</u>
Revenue over/under expenses	<u>\$ -</u>	(6,457)
Transfer In		\$ 6,457
Net Assets at July 1, 2022		<u>\$ 0</u>
Net Assets at June 30, 2023		<u><u>\$ 0</u></u>

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Human Resources Development Council of District IX, Inc.
Bozeman, Montana

SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
For the Years Ended June 30, 2023 and 2022

LIEAP ADMINISTRATION PROGRAM

Grant Period: October 1, 2020 to September 30, 2022 - ADMIN

Grant Number: DPHHS 21-028-13007-0

	----LIEAP ADMIN----	
	Budget	Actual
REVENUE		
Grant	\$ 65,308	65,308
Misc Revenue - FFCRA Payroll Tax Credit		1,251
Total Revenue	<u>\$ 65,308</u>	<u>66,559</u>
EXPENSES	\$ 65,308	
Salaries and Fringe Benefits		61,875
Supplies		915
Communication		199
Space Costs		2,233
Training		430
Office Costs		908
Direct Services		0
Total Expenses	<u>\$ 65,308</u>	<u>66,559</u>
Revenue Over/Under Expenses		\$ 0
Net Assets at October 1, 2020		<u>\$ 0</u>
Net Assets at September 30, 2022		<u><u>\$ 0</u></u>

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
For the Years Ended June 30, 2023 and 2022

LOW INCOME ENERGY ASSISTANCE PROGRAM

Grant Period: November 5, 2021 to November 9, 2022 - Contingency Revolving Fund (CRF)

Grant Number: DPHHS 22-028-13007-0

	----LIEAP CRF----
	<u>Actual</u>
REVENUE	
Grant	\$ 113,371
Total Revenue	<u>\$ 113,371</u>
EXPENSES	
Direct Services	\$ 113,372
Total Expenses	<u>\$ 113,372</u>
Revenue Over/Under Expenses	\$ (0)
Net Assets at November 5, 2021	<u>\$ 0</u>
Net Assets at November 9, 2022	<u><u>\$ (0)</u></u>

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LOW INCOME ENERGY ASSISTANCE PROGRAM

Grant Period: October 1, 2021 to September 30, 2022 - Contingency Revolving Fund (CRF)

Grant Number: DPHHS 21-028-19067-0

	----LIEAP CRF----
	<u>Actual</u>
REVENUE	
Grant	\$ 21,978
Total Revenue	<u>\$ 21,978</u>
EXPENSES	
Direct Services	\$ 21,978
Total Expenses	<u>\$ 21,978</u>
Revenue Over/Under Expenses	\$ -
Net Assets at October 1, 2021	<u>\$ 0</u>
Net Assets at September 30, 2022	<u><u>\$ 0</u></u>

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LIEAP CLIENT EDUCATION & OUTREACH PROGRAM

Grant Period: October 1, 2020 to September 30, 2022 - CLIENT ED
October 1, 2020 to September 30, 2022 - OUTREACH

Grant Number: DPHHS 20-028-13007-0

	----CLIENT ED----		----OUTREACH----	
	Budget	Actual	Budget	Actual
REVENUE				
Grant	\$ 34,480	34,480	35,133	35,133
Misc Revenue - FFCRA Payroll Tax Credit		1,761		1,135
Total Revenue	<u>\$ 34,480</u>	<u>36,241</u>	<u>35,133</u>	<u>36,268</u>
EXPENSES				
Salaries & Fringe Benefits		\$ 34,649		33,102
Communications		309		281
Space Costs		1,283		1,196
Travel		0		58
Office Costs		-		1,631
Total Expenses	<u>\$ -</u>	<u>36,241</u>	<u>-</u>	<u>36,268</u>
Revenue Over/Under Expenses		\$ (0)		-
Net Assets at October 1, 2020		<u>\$ 0</u>		<u>0</u>
Net Assets at September 30, 2022		<u><u>\$ 0</u></u>		<u><u>0</u></u>

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NORTHWESTERN ENERGY WEATHERIZATION PROGRAM

Grant Period: January 1, 2022 to December 7, 2022

Grant Number: DPHHS 22-028-33007-0

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant	\$ 556,533	203,417
Total Revenue	<u>\$ 556,533</u>	<u>203,417</u>
EXPENSES		
NWE Program Overhead	\$ 181,352	87,587
NWE Health and Safety	\$ 57,466	20,833
NWE Program Operations	270,910	95,031
Total Expenses	<u>\$ 509,728</u>	<u>203,451</u>
Revenue Over/Under Expenses	<u>\$ 0</u>	(35)
Transfer In		\$ 35
Net Assets at January 1, 2021		<u>\$ 0</u>
Net Assets at December 10, 2021		<u>\$ 0</u>

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Human Resources Development Council of District IX, Inc.
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SUPPLEMENTAL SCHEDULE
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ENERGY SHARE

Grant Period: July 1, 2022 to June 30, 2023

Grant Number: FY 2022-23

	<u>Actual</u>
REVENUE	
Donations	7,500
General Energy Funds	\$ 7,199
USB Funds	51,073
Energy Deposits	3,625
TEAM: Deposits Minor Needs	50
TEAM: Temporary Energy Assist for Minor Needs	225
Total Revenues	<u>\$ 69,671</u>
EXPENSES	
Energy Assistance	\$ 5,481
Energy Assistance - USB	47,278
Energy Assistance - Deposits	3,075
Energy Assistance - TEAM Minor Needs	-
Energy Assistance - TEAM Deposits Minor Needs	165
Administration	32,151
Total Expenses	<u>\$ 88,150</u>
Revenue Over/Under Expenses	\$ (18,479)
Transfer In/Out	\$ 18,479
Net Assets at July 1, 2022	<u>\$ 12,291</u>
Net Assets at June 30, 2023	<u><u>\$ 12,291</u></u>

Human Resources Development Council of District IX, Inc.
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SUPPLEMENTAL SCHEDULE
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For the Years Ended June 30, 2023 and 2022

SECTION 8 HOUSING PROGRAM

Grant Period: July 1, 2022 to June 30, 2023

Grant Number: MT DOC 23-745-0006

	<u>Actual</u>
REVENUE	
MDOC Contract Income	\$ 189,887
Other Income	-
Total Revenue	<u>\$ 189,887</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 189,509
Travel & Training	3,517
Space	7,575
Office Costs	6,177
Insurance	1,287
Communications	981
Ready to Rent Program	-
Housing Assistance Payments	3,816
Other	49
Total Expenses	<u>\$ 212,911</u>
Revenue Over/Under Expenses	\$ (23,024)
Transfer In/Out	23,790
Net Assets at July 1, 2022	<u>\$ 73,917</u>
Net Assets at June 30, 2023	<u><u>\$ 74,683</u></u>

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For the Years Ended June 30, 2023 and 2022

HOME TO STAY - EMERGENCY SERVICES

Report Period: July 1, 2022 to June 30, 2023

Grant Number: NeighborWorks MT (NWMT)

	Actual
REVENUE	
Private Grant Revenue	\$ 20,000
Donations	333
MHN / NWMT	1,150
Total Revenues	<u>\$ 21,483</u>
EXPENSES	
Prevention of Homelessness	\$ -
Salaries & Fringe Benefits	55,323
Supportive Services	10,272
Office Expenses	11,921
Other Expenses	-
Total Expenses	<u>\$ 77,516</u>
Revenue Over/Under Expenses	\$ (56,033)
Transfer In	\$ 56,033
Transfer Out	\$ -
Net Assets at July 1, 2022	<u>\$ 49</u>
Net Assets at June 30, 2023	<u><u>\$ 49</u></u>

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SUPPLEMENTAL SCHEDULE
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RYAN WHITE PART B HIV CARE

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

Grant Number: 22-07-4-51-310-0-2

	Budget	Actual
REVENUES		
Grant	\$ 50,363	39,493
Total Revenues	\$ 50,363	39,493
EXPENSES		
Rental Assistance		\$ 31,484
Security Deposit Assistance		1,150
Case Management		2,794
Administration		4,066
Total Expenses		\$ 39,493
Revenue Over/Under Expenses		\$ 0
Transfer In/Out		\$ -
Net Assets at October 1, 2021		\$ -
Net Assets at March 31, 2023		\$ 0

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**MONTANA HEALTHCARE FOUNDATION - RURAL HOUSING
PLANNING GRANT**

Report Period: October 29, 2021 to October 28, 2022

Grant: Rural Housing Planning Grant: Home Rehabilitation

	<u>Actual</u>
REVENUE	
Private Grant Revenue	\$ 25,000
Total Revenues	<u>\$ 25,000</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 24,089
Administration	780
Advertising	72
Insurance	38
Office Expenses	13
Audit	34
Training	-
Total Expenses	<u>\$ 25,026</u>
Revenue Over/Under Expenses	\$ (26)
Transfer Out	\$ 26
Net Assets at October 29, 2021	<u>\$ 0</u>
Net Assets at October 28, 2022	<u><u>\$ 0</u></u>

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SUPPLEMENTAL SCHEDULE
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RAPID RE-HOUSING

Grant Period: July 1, 2022 to June 30, 2023

Grant Number: HUD MT0055L8T002106

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant	\$ 122,665	121,398
Donations		
Total Revenues	<u>\$ 122,665</u>	<u>121,398</u>
EXPENSES	\$ 122,665	
Rental Assistance		76,990
Security Deposit Assistance		17,299
Utilities Assistance		1,647
Case Management		18,994
Administration		20,083
Total Expenses	<u>\$ 122,665</u>	<u>135,013</u>
Revenue Over/Under Expenses		(13,615)
Transfer In		13,615
Net Assets at July 1, 2022		<u>0</u>
Net Assets at June 30, 2023		<u><u>0</u></u>

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WARMING CENTER

Report Period: July 1, 2022 to June 30, 2023

Grant Number: DPHHS 21-102-74081-0 Mental Heath Drop-In Center

	<u>Actual</u>
REVENUE	
Donations	\$ 298,669
Federal Grant	15,000
City of Bozeman	266,811
Private Grant	-
Fund Raising	23,214
Total Revenues	<u>\$ 603,694</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 807,439
Contract Services	46,951
Rent	109,421
Travel & Training	10,500
Supplies	39,406
Furniture, Fixtures & Equipment	-
Communications	4,519
Office Costs	5,184
Supportive Services	11,222
Other	-
Utilities	23,961
Maintenance & Repairs	48,887
Fund Raising	1,128
Insurance	14,797
Taxes	20,678
Audit	2,426
Legal	390
Total Expenses	<u>\$ 1,146,910</u>
Revenue Over/Under Expenses	\$ (543,216)
Transfer In	543,216
Transfer Out	-
Net Assets at July 1, 2022	<u>\$ 30,349</u>
Net Assets at June 30, 2023	<u><u>\$ 30,349</u></u>

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SUPPLEMENTAL SCHEDULE
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LIVINGSTON WARMING CENTER

Report Period: July 1, 2022 to June 30, 2023

	Actual
REVENUE	
Donations	\$ 12,149
Fund Raising	28,856
City of Livingston	96,500
Total Revenues	<u>\$ 137,505</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 99,121
Rent	6,144
Travel & Training	1,173
Supplies	1,499
Communications	391
Other	-
Client Assistance	35,508
Maintenance & Repairs	210
Fund Raising	69
Insurance	1,016
Amortization	5,095
Audit	509
Total Expenses	<u>\$ 150,734</u>
Revenue Over/Under Expenses	\$ (13,229)
Transfer In	\$ 104,633
Net Assets at July 1, 2022	<u>\$ (1,577)</u>
Net Assets at June 30, 2023	<u><u>\$ 89,828</u></u>

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SUPPLEMENTAL SCHEDULE
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PATH

Report Period: March 1, 2022 to June 30, 2023

Grant Number: DPHHS 22-332-74130-0

	<u>Actual</u>
REVENUE	
Federal Grant	\$ 200,000
State Revenue	133,333
Total Revenues	<u>\$ 333,333</u>
EXPENSES	
Personnel	\$ 190,779
Fringe Benefits	52,079
Supplies	12,592
Travel & Training	4,384
20% Housing Requirement	9,072
Elective Services	19,747
Program Expenses	13,875
Indirect	40,767
Total Expenses	<u>\$ 343,296</u>
Revenue Over/Under Expenses	\$ (9,963)
Transfer In	\$ 9,963
Net Assets at March 1, 2022	<u>\$ -</u>
Net Assets at June 30, 2023	<u><u>\$ -</u></u>

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SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
For the Years Ended June 30, 2023 and 2022

GALLATIN VALLEY FOOD BANK

Report Period: July 1, 2022 to June 30, 2023

	<u>Actual</u>
REVENUE	
Contributions:	
Food *	\$ 2,893,050
United Way	0
Gallatin County Senior Mill Levy	10,500
Other	951,573
Fund Raising	337,945
Other Grant Revenue	87,373
Other Income	3,111
Total Revenues	<u>\$ 4,283,552</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 900,723
Travel & Training	394
Warehouse Space	15,024
Communication	4,992
Utilities, Garbage, Snow Removal	19,425
Fund Raising	117,415
Outreach/Public Relations	7,804
Vehicle	16,089
Repairs & Maintenance	6,573
Supplies	8,325
Insurance	18,093
Food Purchases	117,369
Food Distributions *	2,867,639
Office costs	10,453
Audit	4,730
Interest Expense	2,132
Meat Processing	1,877
Depreciation Expense	16,223
Other	4,184
Vehicle Purchase	106,162
Total Expenses	<u>\$ 4,245,625</u>
Revenue Over/Under Expenses	\$ 37,926
Transfer Out Food Inventory to other locations	(48,205)
Transfer In	
From: Huffing For Stuffing	46,207
Net Assets at July 1, 2022	<u>\$ 1,963,693</u>
Net Assets at June 30, 2023	<u>\$ 1,999,621</u>

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SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
For the Years Ended June 30, 2023 and 2022
GALLATIN VALLEY FOOD BANK - SENIOR CFSP

Report Period: October 1, 2021 to September 30, 2022

Grant Number: DPHHS 22-027-21002-0

	<u>Actual</u>
REVENUE	
Senior Food Contract Income	159,394
Contributions	9,519
Total Revenues	<u>\$ 168,913</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 15,623
Fund Raising	70
Supplies	147
Insurance	154
Food Purchases	0
Food Distributions *	146,819
Office costs	385
Audit	342
Total Expenses	<u>\$ 163,540</u>
Revenue Over/Under Expenses	\$ 5,373
Transfer In	0
Net Assets at October 1, 2021	<u>\$ (5,798)</u>
Net Assets at September 30, 2022	<u>\$ (425)</u>

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

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SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
For the Years Ended June 30, 2023 and 2022

FORK AND SPOON HOMESTYLE KITCHEN

Report Period: July 1, 2022 to June 30, 2023

	Dining & Facility	Catering	Spork
REVENUES			
Donations	\$ 175,725	14,204	8,146
Meals Service (Net of Discounts)	46,205		69,078
Catering & Space Rental		135,785	
Fund Raising	1,200		
Kitchen Rental Fees	27,470	1,209	
Catering Private Grant		6,105	1,000
Total Revenues	<u>\$ 250,600</u>	<u>157,303</u>	<u>78,224</u>
EXPENSES			
Salaries & Fringe Benefits	\$ 358,966	76,399	47,661
Parking Lot Space	13,200		
Travel & Training	72		
Communications	2,609		441
Utilities, Garbage, Grounds Maintenance	27,301		
Fund Raising	2,335		
Outreach / Public Relations	305		503
Vehicle	839		2,520
Equipment	111	415	138
Repairs & Maintenance	14,028	493	5,428
Supplies	15,656	10,254	2,331
Insurance	9,487		
Food Purchases	70,744	45,382	19,913
Office Costs	1,495	1,660	1,490
Audit	4,604		
Legal	0		
Interest Expense	5,117		
Depreciation Expense	11,880		
Taxes	875		
Other	490		(4)
Total Expenses	<u>\$ 540,114</u>	<u>134,603</u>	<u>80,421</u>
Revenue Over/Under Expenses	\$ (289,514)	22,700	(2,197)
Transfers In	241,211	0	15,920
Catering & Spork Applied to F&S Operations	36,423	(22,700)	(13,723)
Net Assets at July 1, 2022	<u>\$ (225,219)</u>	<u>0</u>	<u>0</u>

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SUPPLEMENTAL SCHEDULE
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HEALTHY KIDSPACK PROGRAM

Report Period: July 1, 2022 to June 30, 2023

	Actual
REVENUE	
Private Grant Revenue	\$ 20,000
Fund Raising	37,441
Donations	30,870
Restricted Donations	0
Total Revenues	<u>\$ 88,311</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 49,708
Fund Raising	1,050
Supplies	87
Insurance	271
Food Purchases	87,934
Office Costs	69
Audit	706
Contract Services	0
Total Expenses	<u>\$ 139,825</u>
Revenue Over/Under Expenses	\$ (51,514)
Transfer In	\$ -
Net Assets at July 1, 2022	<u>\$ 120,637</u>
Net Assets at June 30, 2023	<u><u>\$ 69,123</u></u>

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SUMMER LUNCH PROGRAM

Grant Period: October 1, 2021 to September 30, 2022

Grant Number: MT OPI 16-6512

	<u>Actual</u>
REVENUE	
Earned Federal Revenue	\$ 85,224
Private Grant Revenue	\$ 21,600
Donations	1,182
Total Revenue	<u>\$ 108,006</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 50,758
Contract Services	1,090
Food Purchases	38,721
Insurance	386
Office Costs	414
Outreach	503
Supplies	634
Audit	622
Travel & Training	73
Vehicle Purchase	15,000
Total Expenses	<u>\$ 108,201</u>
Revenue Over/Under Expenses	\$ (196)
Transfer In	-
Net Assets at October 1, 2021	<u>\$ 21,877</u>
Net Assets at September 30, 2022	<u><u>\$ 21,681</u></u>

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HEADWATERS AREA FOOD BANK

Report Period: July 1, 2022 to June 30, 2023

	<u>Actual</u>
REVENUE	
Contributions:	
Food *	\$ 121,632
Other	142,113
Fund Raising	16,402
Total Revenues	<u>\$ 280,147</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 89,085
Travel & Training	-
Communications	1,853
Rent	-
Utilities, Garbage, Snow Removal	5,923
Fund Raising	1,234
Equipment & Supplies	685
Depreciation	4,631
Repairs & Maintenance	880
Transportation	1,152
Insurance	1,075
Food Purchases	24,956
Food Distributions *	146,429
Office Costs	1,593
Outreach	650
Audit	1,076
Taxes	731
Other	-
Total Expenses	<u>\$ 281,952</u>
Revenue Over/Under Expenses	\$ (1,805)
Transfer In	\$ 32,888
Net Assets July 1, 2022	<u>\$ 211,065</u>
Net Assets at June 30, 2023	<u><u>\$ 242,148</u></u>

* Food Contributions In-Kind valued at \$1.92 per pound

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SUPPLEMENTAL SCHEDULE
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For the Years Ended June 30, 2023 and 2022

BIG SKY COMMUNITY FOOD BANK

Report Period: July 1, 2022 to June 30, 2023

	<u>Actual</u>
REVENUE	
Contributions:	
Donations	\$ 172,780
Food *	85,369
Big Sky Resort Tax District	49,421
Restricted Donations	-
Private Grant	44,850
Fund Raising	20,805
Misc Revenue	115
Total Revenues	<u>\$ 373,340</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 146,402
Contract Services	15,000
Travel & Training	6,067
Communications	4,290
Space Rental	29,717
Utilities, Garbage, Snow Removal	6,817
Outreach/Public Relations	1,909
Vehicle	1,407
Equipment & Supplies	706
Repairs & Maintenance	1,971
Insurance	1,604
Food Purchases	58,840
Food Distributions *	93,650
Office Costs	4,508
Fund Raising	553
Audit	1,242
Meat Processing	0
Other	0
Vehicle Purchase	58,000
Total Expenses	<u>\$ 432,683</u>
Revenue Over/Under Expenses	\$ (59,343)
Transfer In Food Inventory from GVFB	\$ 15,318
Net Assets at July 1, 2022	<u>\$ 937,616</u>
Net Assets at June 30, 2023	<u><u>\$ 893,591</u></u>

* Food Contributions In-Kind valued at \$1.92 per pound

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SUPPLEMENTAL SCHEDULE
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IN HOME SERVICES

Grant Period: July 1, 2022 to June 30, 2023

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

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Title III Revenue	\$ 52,766	52,766
Title III Revenue - Respite	22,433	22,298
Donations	67	
Other Grant Revenue		15,316
Total Revenues	<u>\$ 75,266</u>	<u>90,380</u>
EXPENSES		
Salaries & Fringe Benefits	\$ 88,929	95,998
Supplies	550	339
Communications	500	421
Travel & Training	2,000	956
Insurance	1,100	1,219
Audit	250	545
Other - Program Support	19,174	403
Total Expenses	<u>\$ 112,503</u>	<u>99,880</u>
Revenue Over/Under Expenses	<u>\$ 0</u>	<u>\$ (9,500)</u>
Transfer In		\$ 9,500
Net Assets at July 1, 2022		<u>\$ 37,431</u>
Net Assets at June 30, 2023		<u>\$ 37,431</u>

See Independent Auditors' Report

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
For the Years Ended June 30, 2023 and 2022

IN HOME SERVICES - CARES

Grant Period: July 1, 2022 to June 30, 2023

Grant Number: Area IV Agency on Aging 2023-004-013 (Gallatin County)

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Title III Revenue	\$ 1,734	\$ 1,734
Title III Revenue - Respite	3,702	3,702
Total Revenue	<u>\$ 5,436</u>	<u>\$ 5,436</u>
EXPENSES		
Salaries & Fringe Benefits	\$ 5,436	\$ 7,200
Total Expenses	<u>\$ 5,436</u>	<u>\$ 7,200</u>
Revenue Over/Under Expenses	<u>\$ 0</u>	<u>\$ (1,764)</u>
Transfer In		\$ 1,764
Net Assets at July 1, 2022		<u>\$ 0</u>
Net Assets at June 30, 2023		<u><u>\$ 0</u></u>

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Human Resources Development Council of District IX, Inc.
Bozeman, Montana

SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
For the Years Ended June 30, 2023 and 2022

IN HOME SERVICES - PARK COUNTY

Grant Period: July 1, 2022 to June 30, 2023

Grant Number: Area IV Agency on Aging 2023-004-013 (Park County)

	Budget	Actual
REVENUE		
Title III Revenue	\$ 24,500	24,500
Title III Revenue - Respite	13,300	19,794
Donations		5,000
Total Revenues	<u>\$ 37,800</u>	<u>49,294</u>
EXPENSES		
Salaries & Fringe Benefits	\$ 50,748	54,039
Supplies	700	201
Communications	250	160
Travel & Training	1,500	541
Building Space	-	259
Insurance	850	677
Audit	11,925	494
Total Expenses	<u>\$ 65,973</u>	<u>56,371</u>
Revenue Over/Under Expenses	<u>\$ (28,173)</u>	<u>\$ (7,077)</u>
Transfer In		7,500
Net Assets at July 1, 2022		<u>\$ 2,330</u>
Net Assets at June 30, 2023		<u>\$ 2,753</u>

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For the Years Ended June 30, 2023 and 2022

IN HOME SERVICES - CARES - PARK COUNTY

Grant Period: July 1, 2022 to June 30, 2023

Grant Number: Area IV Agency on Aging 2023-004-013 (Park County)

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Title III Revenue	\$ 1,500	\$ 1,500
Title III Revenue - Respite	3,706	3,706
Total Revenue	<u>\$ 5,206</u>	<u>\$ 5,206</u>
EXPENSES		
Salaries & Fringe Benefits	\$ 5,206	\$ 7,124
Total Expenses	<u>\$ 5,206</u>	<u>\$ 7,124</u>
Revenue Over/Under Expenses	<u>\$ 0</u>	(1,918)
Transfer In		\$ 1,918
Net Assets at July 1, 2022		<u>\$ 0</u>
Net Assets at June 30, 2023		<u>\$ 0</u>

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Human Resources Development Council of District IX, Inc.
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SUPPLEMENTAL SCHEDULE
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SENIOR REACH

Grant Period: July 1, 2022 to June 30, 2023

Grant Number: Area IV Agency on Aging 2023-004-013

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Federal Grant	\$ 41,500	22,766
State Grant	5,000	5,000
Other Income	1,000	-
Total Revenue	<u>\$ 47,500</u>	<u>27,766</u>
EXPENSES		
Salaries & Fringe Benefits	\$ 32,700	30,961
Supplies	1,500	72
Communications		-
Travel & Training	1,000	508
Building Space	7,000	3,961
Insurance		271
Audit		311
Other	5,300	1,439
Total Expenses	<u>\$ 47,500</u>	<u>37,522</u>
Revenue Over/Under Expenses	<u>\$ 0</u>	(9,756)
Transfer In		\$ -
Net Assets at July 1, 2022		<u>\$ 0</u>
Net Assets at June 30, 2023		<u>\$ (9,756)</u>

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Human Resources Development Council of District IX, Inc.
Bozeman, Montana

SUPPLEMENTAL SCHEDULE
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SENIOR REACH - CARES

Grant Period: July 1, 2022 to June 30, 2023

Grant Number: Area IV Agency on Aging 2023-004-013

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Federal Grant	\$ 10,000	10,000
Total Revenue	<u>\$ 10,000</u>	<u>10,000</u>
EXPENSES		
Salaries & Fringe Benefits	\$ 10,000	11,818
Total Expenses	<u>\$ 10,000</u>	<u>11,818</u>
Revenue Over/Under Expenses	<u>\$ 0</u>	(1,818)
Transfer In		\$ 1,818
Net Assets at July 1, 2022		<u>\$ 0</u>
Net Assets at June 30, 2023		<u><u>\$ 0</u></u>

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Human Resources Development Council of District IX, Inc.
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SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
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STATE HEALTH INSURANCE PROGRAM (SHIP) - INFORMATION & ASSISTANCE

Grant Period: July 1, 2022 to June 30, 2023

Grant Number: Area IV Agency on Aging 2023-004-013

	Budget	Actual
REVENUE		
Federal	\$ 50,000	\$ 54,035
Other Income	25,000	25,000
Total Revenue	<u>\$ 75,000</u>	<u>\$ 79,035</u>
EXPENSES		
Salaries & Fringe Benefits	\$ 82,651	\$ 67,832
Supplies	250	143
Communications	500	612
Travel & Training	1,000	-
Building Space	3,000	5,541
Insurance	500	542
Audit	-	405
Other	8,000	3,995
Total Expenses	<u>\$ 95,901</u>	<u>\$ 79,071</u>
Revenue Over/Under Expenses	<u>\$ 0</u>	(36)
Transfer In		\$ 36
Net Assets at July 1, 2022		<u>\$ 0</u>
Net Assets at June 30, 2023		<u>\$ 0</u>

Human Resources Development Council of District IX, Inc.
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SUPPLEMENTAL SCHEDULE
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For the Years Ended June 30, 2023 and 2022

STATE HEALTH INSURANCE PROGRAM (SHIP) - INFORMATION & ASSISTANCE

Grant Period: July 1, 2022 to June 30, 2023

Grant Number: Area IV Agency on Aging 2023-004-013

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Federal	\$ 25,000	25,000
Total Revenue	<u>\$ 25,000</u>	<u>25,000</u>
EXPENSES		
Salaries & Fringe Benefits	\$ 25,000	29,522
Total Expenses	<u>\$ 25,000</u>	<u>29,522</u>
Revenue Over/Under Expenses	<u>\$ 0</u>	(4,522)
Transfer In		\$ 4,522
Net Assets at July 1, 2022		<u>\$ 0</u>
Net Assets at June 30, 2023		<u><u>\$ 0</u></u>

Human Resources Development Council of District IX, Inc.
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SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
For the Years Ended June 30, 2023 and 2022

RETIRED SENIOR VOLUNTEER PROGRAM

Grant Period: April 1, 2022 to March 31, 2023

Grant Number: CNCS 21SRDMT002 (Year 2)
Area IV Agency on Aging (Title III) 2022-004-013

	Budget	Actual	In-Kind	Excess Non-Federal Share
REVENUE				
Federal Grant	\$ 86,161	86,161		
Federal Grant - ARPA CarryFwd	29,700	29,700		
Gallatin County Senior Mill Levy	11,000	11,000		
Title III Grant	5,000	2,675		
Donations	26,940	5,175		2,230
Other Grant Revenue	5,000	0		
In-Kind	15,000		10,267	
Total Revenues	<u>\$ 178,801</u>	<u>134,711</u>	<u>10,267</u>	<u>2,230</u>
EXPENSES				
Personnel Expense				
Project Director	\$ 42,073	41,519		1,952
Program Coordinators	27,877	27,248		
Senior Reach Program Manager	19,768	6,882		
Fiscal Staff	6,865	11,518		
Executive	4,635	5,393		
Personnel	4,000	4,822		
Receptionists	1,500	2,434		
Fringe Benefits	20,788	20,522		278
Agency-wide Insurance	0	1,339		
Local Travel	500	506		
Long Distance Travel	1,000	594		
Supplies	3,000	1,374		
Computer Service	3,000	5,841		
Space	19,694	10,332	10,267	
Audit	714	1,049		
Outreach	3,548	0		
Other	1,350	150		
Volunteer Meals	1,000	0		
Volunteer Insurance	1,400	1,173		
Volunteer Travel	1,750	0		
Volunteer Supplies	500	250		
Volunteer Recognition	7,939	2,769		
Total Expenses	<u>\$ 178,801</u>	<u>148,096</u>	<u>10,267</u>	<u>2,230</u>
Revenue Over/Under Expenses	<u>\$ 0</u>	<u>(13,385)</u>	<u>0</u>	<u>0</u>
Transfer In		\$ 13,385		
Net assets at April 1, 2022		<u>\$ 0</u>		
Net assets at March 31, 2023		<u>\$ 0</u>		

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SENIOR MEDICARE PATROL

Grant Period: June 1, 2022 to May 31, 2023

Grant Number: Area XI Agency on Aging MOU

	Budget	Actual
REVENUE		
Grant	\$ 9,537	10,145
Total Revenue	\$ 9,537	10,145
EXPENSES		
Salaries & Fringe Benefits	\$ 9,537	6,505
Travel & Training		-
Space		607
Total Expenses	\$ 9,537	7,112
Revenue Over/Under Expenses	\$ 0	\$ 3,033
Transfer Out		\$ -
Transfer In		\$ -
Net Assets at June 1, 2022		\$ 1,459
Net Assets at May 31, 2023		\$ 4,492

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SHERWOOD SERVICE COORDINATOR

Grant Period: January 1, 2022 to December 31, 2022

Grant Number: MFSC179734-01-06

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant	\$ 30,430	34,173
Total Revenue	<u>\$ 30,430</u>	<u>34,173</u>
EXPENSES		
Salaries & Fringe Benefits	\$ 31,340	33,533
Travel & Training	1,298	-
Other	382	640
Total Expenses	<u>\$ 33,020</u>	<u>34,173</u>
Revenue Over/Under Expenses	<u>\$ (2,590)</u>	-
Transfer In from Sherwood Inn Apts		<u>\$ 2,673</u>
Net Assets at January 1, 2022		<u>\$ 0</u>
Net Assets at December 31, 2022		<u><u>\$ 2,673</u></u>

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GALAVAN / SENIOR TRANSPORTATION

Grant Period: July 1, 2022 to June 30, 2023

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

	Budget	Actual
REVENUE		
Title III Revenue	\$ 21,400	21,400
ParaTransit Contract - Streamline	226,000	226,000
MT DOT Transade	80,801	80,801
Local Revenue		
Friends of Galavan	7,500	5,000
Gallatin County	120,000	120,000
City of Bozeman	143,000	152,877
City of Belgrade	20,000	10,000
HRDC Greatest Needs	25,000	25,000
Rider Donations	15,000	6,715
Contributions	2,000	2,180
Storage Space Rental Income	5,000	3,220
Investment Income/Other	10,500	-
Other	-	-
Total Revenues	<u>\$ 676,201</u>	<u>653,193</u>
EXPENSES		
Salaries & Fringe Benefits	\$ 44,000	465,175
HRDC Admin. Cost Allocations	60,000	84,094
Gas & Oil	55,000	63,864
Repairs & Maintenance	40,000	48,266
Insurance	18,000	28,824
Bus Barn Operating Costs	5,000	9,242
Travel & Training	2,500	56
Advertising/PR	1,500	1,177
Cleaning	-	43,714
Supplies	3,500	3,823
Communications	4,500	3,666
Audit	1,000	1,530
Other (incl RM software)	5,000	2,110
Equipment-Other	500	235
Equipment-Vehicles	-	-
Total Expenses	<u>\$ 240,500</u>	<u>755,776</u>
Revenue Over/Under Expenses	<u><u>\$ 435,701</u></u>	<u>(102,583)</u>
Transfer In - Smyth Interest Income		\$ 10,500
Net Assets at July 1, 2022		<u>\$ 696,521</u>
Net Assets at June 30, 2023		<u><u>\$ 604,439</u></u>

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STREAMLINE BUS / PUBLIC TRANSPORTATION

Grant Period: July 1, 2022 to June 30, 2023

Grant Names: MT DOT 111298 - Section 5311 Operating
Montana State University - Contract # CS180031
City of Bozeman - General Funding

	Budget	Actual	Capital Actual
REVENUE			
MT DOT Operating Grant	\$ 1,447,895	1,447,895	
MT DOT Capital Grant	-		-
Local Revenue			
Associated Students of MSU	280,000	287,023	
Contract Income	-	-	
City of Bozeman	400,000	400,000	
Bozeman Health	20,000	-	
City of Belgrade	20,000	20,000	
Gallatin County	-	25,000	
Montana State University	161,667	161,667	
Investment Income/Other	-	-	
Storage Space Rental Income	14,000	11,106	
Contributions	1,000	100	
Advertising Revenue	2,000	-	
Total revenues	<u>\$ 2,346,562</u>	<u>2,352,791</u>	<u>-</u>
EXPENSES			
Salaries & Fringe Benefits	\$ 245,000	199,119	
HRDC Admin Cost Allocations	114,000	119,046	
Contract Services	1,301,444	855,670	
Gas & Oil	225,000	181,483	
Repairs & Maintenance	170,000	138,250	
Insurance	155,000	206,319	
Bus Barn Operating Costs	13,000	20,560	
Parking Garage Cleaning/Security	15,000	21,876	
Travel & Training	8,000	104	
Advertising/PR & Outreach	60,000	26,866	
Supplies	5,000	7,676	
Communications	8,000	7,963	
Space	-	1,154	
Audit	2,000	1,989	
Other	2,000	4,534	
Equipment - Other	1,000	9,318	
Equipment - Vehicles	-	-	-
Equipment - Vehicle Wraps	-	-	
Equipment - GPS Tracking Software	20,000	-	
Bus Shelters/Street Furniture	-	-	
UTD	-	-	718,571
Total Expenses	<u>\$ 2,344,444</u>	<u>1,801,928</u>	<u>718,571</u>
Revenue Over/Under Expenses	<u>\$ 2,118</u>	550,863	(718,571)
Operating Funds Applied to Capital		\$ (718,571)	718,571
Transfer Out		(377,200)	-
Net Assets at July 1, 2022		<u>\$ 940,686</u>	<u>0</u>
Net Assets at June 30, 2023		<u>\$ 395,778</u>	<u>0</u>

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WORKFORCE INNOVATION & OPPORTUNITY ACT - YOUTH

Grant Period: July 1, 2022 to June 30, 2023

Grant Name: DLI19-0024K_G / DLISFY20CONWSD_102_6

	Budget	Actual	Modification #1 Budget	Actual
REVENUE				
Grant	\$ 176,354	176,354	13,234	13,234
Other Income	0	0	0	0
Total Revenues	<u>\$ 176,354</u>	<u>176,354</u>	<u>13,234</u>	<u>13,234</u>
EXPENSES				
In-School	\$ 44,088	67,963	3,308	5,861
Out-of-School	132,266	109,703	9,926	7,623
Total Expenses	<u>\$ 176,354</u>	<u>177,667</u>	<u>13,234</u>	<u>13,485</u>
Revenue Over/Under Expenses	<u>\$ 0</u>	(1,313)	<u>0</u>	(251)
Transfer In		\$ 1,313		251
Net Assets at July 1, 2022		<u>\$ 0</u>		<u>0</u>
Net Assets at June 30, 2023		<u>\$ 0</u>		<u>0</u>

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CHAFEE FOSTER CARE INDEPENDENCE PROGRAM

Grant Period: July 1, 2022 to June 30, 2023

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

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant	\$ 109,842	101,420
Other Income		
Total Revenues	<u>\$ 109,842</u>	<u>101,420</u>
EXPENSES		
Salaries & Fringe Benefits	\$ 85,838	86,869
Rent Expenses	3,120	4,294
Administrative	10,984	10,984
Travel & Training	6,000	6,347
Equipment & Supplies	1,200	1,511
Youth Stipends/Support	2,400	3,055
NYTD Survey Incentives	300	
Insurance	-	813
Total Expenses	<u>\$ 109,842</u>	<u>113,873</u>
Revenue Over/Under Expenses	<u>\$ -</u>	(12,453)
Transfer In		\$ 12,453
Net Assets at July 1, 2022		<u>\$ 0</u>
Net Assets at June 30, 2023		<u><u>\$ 0</u></u>

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BLUEPRINT - YOUTH TRANSITIONAL LIVING HOUSE

Report Period: July 1, 2022 to June 30, 2023

	<u>Actual</u>
REVENUE	
Donations	\$ 39,051
Fund Raising Income	4,625
Misc Income	13,331
Total Revenues	<u>\$ 57,007</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 69,208
Youth Stipends/Support	1,675
Utilities & Phone	6,453
Maintenance & Repairs	5,478
Supplies/Office Costs	5,773
Travel & Training	3,679
Legal & Audit	-
Insurance	2,485
Contract Services	3,253
Taxes	845
Interest Expense	19,484
Depreciation	22,939
Other Expenses	368
Total Expenses	<u>\$ 141,641</u>
Revenue Over/Under Expenses	\$ (84,634)
Transfers In	
General	\$ 13,560
Greatest Needs	48,135
Net Assets at July 1, 2022	<u>\$ (35,270)</u>
Net Assets at June 30, 2023	<u><u>\$ (58,209)</u></u>

Human Resources Development Council of District IX, Inc.
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SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
For the Years Ended June 30, 2023 and 2022

RESOURCE PROPERTY MANAGEMENT

Report Period: July 1, 2022 to June 30, 2023

	<u>Actual</u>
REVENUE	
HRDC Owned	
Management fees: Colorado Apts (8 units)	4,298
Management fees: Cottages @ Menicucci Sq (18 units)	14,812
Management fees: Livingston Village Cottages (12 units)	0
Management fees: Sherwood Inn Apts Inc: Geyser (1 unit)	928
Management fees: Summit Place Apts (7 units)	4,707
Management fees: West Babcock Apts (24 units)	20,121
Management fees: West Edge Condos (4 units)	2,145
Management fees: HRDC Facilities (14 buildings)	29,600
Third-Party Owned	
Management fees: Antelope Court Apts (30 units)	16,230
Management fees: Big Sky Villas Apts (24 units)	20,677
Management fees: Boulevard Apts (42 units)	27,290
Management fees: Buffalo Court Apts (20 units)	10,035
Management fees: Castle Mountain Apts (10 units)	10,080
Management fees: Darlington Apts (100 units)	72,535
Management fees: Miles BuildingApts (47 units)	25,350
Management fees: Sherwood Inn Apts (50 units)	23,388
Other Income	850
Total Revenues	<u>\$ 283,045</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 293,831
Contract Services	527
Travel & Training	2,409
Space Costs	4,794
Communications	12,285
Supplies	2,626
Office Costs	8,605
Liability Insurance	208
Legal	0
Other	0
Total Expenses	<u>\$ 325,284</u>
Revenue over/under expenses	\$ (42,239)
Net assets at July 1, 2022	<u>\$ 97,093</u>
Net assets at June 30, 2023	<u><u>\$ 54,854</u></u>

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SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
For the Years Ended June 30, 2023 and 2022

HEAD START PROGRAM

Grant Period: April 1, 2022 to March 31, 2023

Grant Number: HHS 08CH010871-04-00

	Budget	Actual	In-Kind
REVENUE			
Grant	\$ 1,733,699	1,733,699	
USDA Child & Adult Care Food Pgm	85,000	73,586	
State of MT Childcare	45,244	52,865	
Childcare Stabilization Grant	-	191,082	
Other Income	7,000	4,000	
In-kind	416,409		152,571
Total Revenues	<u>\$ 2,287,352</u>	<u>\$ 2,055,232</u>	<u>152,571</u>
EXPENSES			
Salary & Fringe Benefits	\$ 1,521,284	1,263,743	
Fringe Benefits	-	392,777	
Travel/Training	27,200	14,994	
Supplies	64,820	29,097	
Contract Services	18,000	17,676	
Other	191,656	331,533	
Parent Activities	-	5,411	
In-kind Expenses	416,409		152,571
Total Expenses	<u>\$ 2,239,369</u>	<u>2,055,232</u>	<u>152,571</u>
Revenue Over/Under Expenses	<u>\$ 47,983</u>	(0)	(0)
Net Assets at April 1, 2022		<u>\$ 0</u>	<u>0</u>
Net Assets at March 31, 2023		<u>\$ (0)</u>	<u>(0)</u>

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SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
For the Years Ended June 30, 2023 and 2022

HEAD START FACILITIES

Report Period: For the Year Ended June 30, 2023

	Bozeman Center Actual	Livingston Center Actual	Belgrade Center Actual
REVENUE			
Rental Income	\$ 32,400	42,000	74,400
Misc Income			26
Total Revenue	<u>\$ 32,400</u>	<u>42,000</u>	<u>74,426</u>
EXPENSES			
Gas & Electric	\$ 3,594	1,972	6,835
Water, Sewer, & Garbage	2,863	2,204	2,869
Maintenance & Repairs	6,424	8,283	15,921
Janitorial/Grounds	18,479	14,753	23,010
Property Management/Audit	2,000	2,000	2,000
Insurance	10,536	9,796	12,509
Taxes	833	0	107
Interest Expense	0	4,448	18,753
Depreciation	0	1,609	65,965
Total Expenses	<u>\$ 44,729</u>	<u>\$ 45,065</u>	<u>\$ 147,969</u>
Revenue Over/Under Expenses	\$ (12,329)	(3,065)	(73,543)
Net Assets at July 1, 2022	<u>\$ 32,287</u>	<u>(8,741)</u>	<u>233,085</u>
Net Assets at June 30, 2023	<u><u>\$ 19,958</u></u>	<u><u>(11,806)</u></u>	<u><u>159,542</u></u>

See Independent Auditors' Report

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
For the Years Ended June 30, 2023 and 2022

HEAD START CARES GRANT

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

Grant Number: HHS 08HE00196-01-01

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant	\$ 181,868	181,868
Total Revenues	<u>\$ 181,868</u>	<u>\$ 181,868</u>
EXPENSES		
Salaries	\$ 181,868	198,902
Total Expenses	<u>\$ 181,868</u>	<u>198,902</u>
Revenue Over/Under Expenses	<u>\$ 0</u>	(17,034)
Transfer In		\$ 17,034
Net Assets at April 1, 2021		<u>\$ 0</u>
Net Assets at March 31, 2023		<u><u>\$ 0</u></u>

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SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
For the Years Ended June 30, 2023 and 2022

ROAD TO HOME - DOWN PAYMENT ASSISTANCE

Report Period: July 1, 2022 to June 30, 2023

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

City of Bozeman (COBzn) November 25, 2003 to June 30, 2023

City of Bozeman Affordable Hsg Ordinance (AHO) March 30, 2018 to June 30, 2023

RTH Lending Pool: July 1, 2006 to December 31, 2022

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

	HOME Actual	COBzn Actual	COBzn AHO Actual	CDBG Pgm Inc Actual	Other Actual	Total Actual
REVENUE						
Grant						0
Contract Income						0
Contributions						0
Appreciation Share Realized		59,592				59,592
Total Revenues	\$ 0	59,592	0	0	0	59,592
EXPENSES						
Salaries & Fringe	\$ 96		267		15,646	16,009
Space	0		7		276	283
Communications	0		1		44	45
Supplies			3,325		261	3,586
Contract Services						0
Insurance					135	135
Audit & Legal					764	764
Travel & Training					614	614
Homebuyer Loan Fees						0
Total Expenses	\$ 96	0	3,600	0	17,740	21,436
Revenue Over/(Under) expenses	\$ (96)	59,592	(3,600)	0	(17,740)	38,156
Homebuyer Loans Repaid	\$ 135,962	38,000	40,000	0	2,000	215,962
Loans Repaid Recaptured by Lenders	\$ (0)		(40,000)			(40,000)
Homebuyer Loans Disbursed	\$ (0)	(0)	(0)	(0)	(0)	(0)
Net assets for Operations at July 1, 2022						\$ 75,956
Net Assets for Lending at July 1, 2022	\$ 246,129	\$ 298,976	\$ 40,800	\$ 220,942	\$ 11,320	\$ 818,167
Net Assets for Operations at June 30, 2023						\$ (111,523)
Net Assets for Lending at June 30, 2023	\$ 382,090	\$ 386,809	\$ 40,800	\$ 220,942	\$ 13,160	\$ 1,043,802

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
For the Years Ended June 30, 2023 and 2022

ROAD TO HOME - HOMEBUYER EDUCATION

Report Period: July 1, 2022 to June 30, 2023

Grant Periods: City of Bozeman (COB) November 25, 2003 to June 30, 2023

MT HomeOwnership Network (MHN)/NeighborWorks MT (NWMT) October 1, 2004 to June 30, 2023

Grant Number: NWMT Housing Counseling and Education Network Partner Agreement

	Actual
REVENUE	
City of Bozeman	\$ 40,000
Contract Income	86,280
Contract Income - LIFT Pilot	25,500
Contributions	115
Total Revenues	<u>\$ 151,895</u>
EXPENSES	
Salaries & Fringe	\$ 111,519
Space	1,093
Communications	545
Supplies	1,548
Contract Services	2,224
Insurance	632
Audit & Legal	-
Travel & Training	3,241
Total Expenses	<u>\$ 120,802</u>
Revenue Over/(Under) expenses	\$ 31,093
Net assets for Operations at July 1, 2022	<u>\$ 147,441</u>
Net Assets for Operations at June 30, 2023	<u><u>\$ 178,534</u></u>

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
For the Years Ended June 30, 2023 and 2022

COMMUNITY SERVICES BLOCK GRANT

Grant Period: January 1, 2021 to September 30, 2022

Grant Number: DPHHS 21-028-10007-0

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant	\$ 351,882	351,882
Misc Income		-
Private Grant		-
Total Revenue	<u>\$ 351,882</u>	<u>351,882</u>
EXPENSES		
Salaries & Fringe	\$ 332,005	271,452
Consultants & Contract Services	19,438	12,691
Travel/Training	5,500	8,758
Space	10,000	9,895
Supplies	2,500	687
Small Equipment	-	-
Other Non-Direct Expenses	-	4,826
Support for Programs/Projects and Other Costs	32,079	43,574
Total Expenses	<u>\$ 401,523</u>	<u>351,882</u>
Revenue Over/Under Expenses	<u>\$ (49,641)</u>	-
Transfer In		-
Net Assets at January 1, 2021		<u>\$ 0</u>
Net Assets at September 30, 2022		<u>\$ 0</u>

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
For the Years Ended June 30, 2023 and 2022

HRDC CENTRAL AND ANNEX OFFICES

Report Period: July 1, 2022 to June 30, 2023

	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	5,467	0	0
Total Revenue	<u>\$ 115,200</u>	<u>115,867</u>	<u>37,200</u>	<u>37,200</u>
EXPENSES				
Gas & Electric	\$ 12,750	15,433	3,700	4,622
Water, Sewer, & Garbage	4,950	3,564	1,250	1,246
Maintenance & Repairs	10,857	17,642	1,500	796
Janitorial/Grounds	22,750	32,345	2,600	4,230
Property Management/Audit	7,200	7,200	800	800
Insurance	2,950	7,077	2,450	3,186
Taxes	1,350	1,671	292	355
Interest Expense	15,000	14,879	8,000	8,733
Depreciation	42,297	42,297	16,742	16,742
Total Expenses	<u>\$ 120,104</u>	<u>142,108</u>	<u>37,334</u>	<u>40,710</u>
Revenue Over/Under Expenses	<u>\$ (4,904)</u>	<u>(26,241)</u>	<u>(134)</u>	<u>(3,510)</u>
Net Assets at July 1, 2022		<u>\$ 693,011</u>		<u>(126,012)</u>
Net Assets at June 30, 2023		<u>\$ 666,770</u>		<u>\$ (129,522)</u>

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
For the Years Ended June 30, 2023 and 2022

SCHEDULE OF ADMINISTRATIVE COSTS ALLOCATED

Report Period: For the Year Ended June 30, 2023

	Actual
REVENUE	
Allocation Payments from Programs	\$ 1,838,307
Misc Income	\$ 500
Total Revenues	<u>\$ 1,838,807</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 1,333,225
Space Costs	34,894
Financial Audit	54,000
Communications	17,651
Office Costs	3,323
Small Equipment	13,320
Computer Service	321,170
Travel/Training	15,365
Contract Services	41,900
Other	5,402
Total Expenses	<u>\$ 1,840,250</u>
Revenue Over/Under Expenses	\$ (1,443)
Net Assets at July 1, 2022	<u>\$ 6,514</u>
Net Assets at June 30, 2023	<u><u>\$ 5,071</u></u>

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
For the Years Ended June 30, 2023 and 2022

**YOUTH HOMELESSNESS DEMONSTRATION PROGRAM
TRANSITIONAL HOUSING: RAPID REHOUSING**

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

Grant Number: HUD MT00-82Y8T-001800/1899

	Budget	Actual
REVENUE		
Grant	\$ 251,888	225,983
Total Revenue	251,888	225,983
EXPENSES		
Operating Costs	\$ 31,148	41,446
Rental Assistance	50,036	29,288
Supportive Services	144,504	149,353
HMIS Costs	1,200	143
Administrative Costs	25,000	36,168
Total Expenses	251,888	256,398
Revenue Over/Under Expenses	\$ 0	(30,415)
Transfer In		30,415
Net Assets at October 1, 2020		0
Net Assets at September 30, 2022		0

See Independent Auditors' Report

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
For the Years Ended June 30, 2023 and 2022

**YOUTH HOMELESSNESS DEMONSTRATION PROGRAM
RAPID REHOUSING**

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

Grant Number: HUD MT00-86Y8T-001800/1899

	Budget	Actual
REVENUE		
Grant	\$ 64,174	54,694
Total Revenue	64,174	54,694
EXPENSES		
Rental Assistance	\$ 47,417	38,491
Supportive Services	10,340	9,786
Administrative Costs	6,417	15,458
Total Expenses	64,174	63,735
Revenue Over/Under Expenses	\$ 0	(9,041)
Transfer In		9,041
Net Assets at October 1, 2020		0
Net Assets at September 30, 2022		0

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Human Resources Development Council of District IX, Inc.
Bozeman, Montana

SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
For the Years Ended June 30, 2023 and 2022

**YOUTH HOMELESSNESS DEMONSTRATION PROGRAM
PERMANENT SUPPORTIVE HOUSING**

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

Grant Number: HUD MT00-72Y8T-001800/1899

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant	\$ 99,370	56,327
Total Revenue	<u>99,370</u>	<u>56,327</u>
EXPENSES		
Rental Assistance	\$ 54,336	31,820
Supportive Services	35,100	14,573
Administrative Costs	9,934	16,997
Total Expenses	<u>99,370</u>	<u>63,390</u>
Revenue Over/Under Expenses	<u>\$ 0</u>	(7,063)
Transfer In		7,063
Net Assets at October 1, 2020		<u>0</u>
Net Assets at September 30, 2022		<u>0</u>

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Human Resources Development Council of District IX, Inc.
Bozeman, Montana

SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
For the Years Ended June 30, 2023 and 2022

**YOUTH HOMELESSNESS DEMONSTRATION PROGRAM
SYSTEMS NAVIGATION**

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

Grant Number: HUD MT00-77Y8T-001800/1899

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant	<u>\$ 220,010</u>	<u>142,897</u>
Total Revenue	<u>220,010</u>	<u>142,897</u>
EXPENSES		
Supportive Services	\$ 196,800	120,838
HMIS	1,200	48
Administrative Costs	<u>22,010</u>	<u>32,932</u>
Total Expenses	<u>220,010</u>	<u>153,818</u>
Revenue Over/Under Expenses	<u><u>\$ 0</u></u>	(10,921)
Transfer In		10,921
Net Assets at October 1, 2020		<u>0</u>
Net Assets at September 30, 2022		<u><u>0</u></u>

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Human Resources Development Council of District IX, Inc.
Bozeman, Montana

SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)
For the Years Ended June 30, 2023 and 2022

**YOUTH HOMELESSNESS DEMONSTRATION PROGRAM
DIVERSION**

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

Grant Number: HUD MT00-71Y8T-001800/1899

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant	<u>\$ 120,642</u>	<u>118,975</u>
Total Revenue	<u>120,642</u>	<u>118,975</u>
EXPENSES		
Supportive Services	\$ 107,378	106,726
HMIS	1,200	288
Administrative Costs	<u>12,064</u>	<u>16,720</u>
Total Expenses	<u>120,642</u>	<u>123,734</u>
Revenue Over/Under Expenses	<u><u>\$ 0</u></u>	(4,759)
Transfer In		4,759
Net Assets at October 1, 2020		<u>0</u>
Net Assets at September 30, 2022		<u><u>0</u></u>

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SINGLE AUDIT SECTION

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023

FEDERAL SOURCE PASS THROUGH SOURCE PROGRAM NAME	Assisted 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	07/01/21 - 06/30/23	20-028-51007-0	\$196,359	\$ 183,547	
EMERGENCY SOLUTIONS GRANT CARES 20-22	14.231	04/01/20 - 09/30/23	20-028-19007-0	\$980,800	49,057	
EMERGENCY SHELTER GRANT 21-23	14.231	09/01/21 - 07/31/23	21-028-51007-0	\$108,776	72,892	
Total Emergency Shelter Grant					<u>305,496</u>	<u>-</u>
<i>Direct</i>						
YOUTH HOMELESSNESS DEMONSTRATION GRANT - (TH.RRH)	14.276	10/01/20 - 09/30/22	MT0082Y8T001800	\$251,888	19,018	
YOUTH HOMELESSNESS DEMONSTRATION GRANT - (RRH)	14.276	10/01/20 - 09/30/22	MT0086Y8T001800	\$64,174	14,274	
YOUTH HOMELESSNESS DEMONSTRATION GRANT - (PSH)	14.276	10/01/20 - 09/30/22	MT0072Y8T001800	\$99,370	14,059	
YOUTH HOMELESSNESS DEMONSTRATION GRANT - (SYS NA V)	14.276	10/01/20 - 09/30/22	MT0077Y8T001800	\$220,010	52,100	
YOUTH HOMELESSNESS DEMONSTRATION GRANT - (DIVERSION)	14.276	10/01/20 - 09/30/22	MT0071Y8T001800	\$120,642	49,751	
YOUTH HOMELESSNESS DEMONSTRATION GRANT - (TH.RRH)	14.276	10/01/22 - 09/30/23	MT0094Y8T02100	\$131,776	99,899	
YOUTH HOMELESSNESS DEMONSTRATION GRANT - (RRH)	14.276	10/01/22 - 09/30/23	MT0096Y8T02100	\$36,935	27,685	
YOUTH HOMELESSNESS DEMONSTRATION GRANT - (PSH)	14.276	10/01/22 - 09/30/23	MT0095Y8T02100	\$55,253	39,429	
YOUTH HOMELESSNESS DEMONSTRATION GRANT - (SYS NA V)	14.276	10/01/22 - 09/30/23	MT0097Y8T02100	\$110,005	68,865	
YOUTH HOMELESSNESS DEMONSTRATION GRANT - (DIVERSION)	14.276	10/01/22 - 09/30/23	MT0099Y8T02100	\$60,321	48,739	
Total Youth Homelessness Demonstration					<u>433,819</u>	<u>-</u>
 CONTINUUM OF CARE - RAPID RE-HOUSING	14.267	07/01/22 - 06/30/23	MT0055L8T002207	\$122,665	121,398	
MULTIFAMILY HOUSING SERVICE COORDINATORS	14.191	01/01/22 - 12/31/22	MFSC179734-01-06	\$30,430	16,973	
MULTIFAMILY HOUSING SERVICE COORDINATORS	14.191	01/01/23 - 12/31/23	MFSC179734-01-07	\$37,451	15,979	
Total Multi-Family Housing Service Coordinators					<u>32,952</u>	<u>-</u>
 <i>Montana Dept. of Commerce</i>						
HOUSING TRUST FUND - Boulevard Apts	14.275	07/01/22 - 06/30/23	MT-HTF-CF-21-01	\$1,000,000	1,000,000	-
 <i>Local Initiatives Support Corporation</i>						
RURAL LISC	14.252	01/14/22 - 12/31/23	41189-0048	\$36,000	23,427	
RURAL LISC - Healthy Housing Colorado Rehab	14.252	12/12/22 - 12/31/23	41189-0049	\$20,000	3,273	
Total LISC					<u>26,700</u>	<u>-</u>
 <i>Gallatin County</i>						
COMMUNITY DEVELOPMENT BLOCK GRANT - Wheat Hotel	14.228	08/01/22 - 03/31/23	2023-060	\$555,000	555,000	-
 Total Department of Housing and Urban Development					<u>2,475,365</u>	<u>-</u>

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023

FEDERAL SOURCE <i>PASS THROUGH SOURCE</i> PROGRAM NAME	Assisted Listing No.	Grant Term	Pass Through Number	Total Dollars Awarded	Total Federal Expenditures	Awards to Subrecipients
Department of Treasury						
<i>Montana Dept. of Health and Human Services</i>						
EMERGENCY RENTAL ASSIST: HOUSING STABILITY SERVICES	21.023	01/27/21 - 09/30/22	22-028-17007-0	\$447,154	161,893	
EMERGENCY RENTAL ASSIST: HOUSING STABILITY SERVICES	21.023	10/01/22 - 09/30/24	23-028-17007-0	\$534,670	151,659	
Total Emergency Rental Assistance					313,552	-
<i>City of Bozeman</i>						
CORONA VIRUS LOCAL RECOVERY - HOUSEHOLD EFFORTS ARPA	21.027	11/24/21 - 06/30/23	None	\$100,000	77,828	-
Total Department of Treasury					391,380	-
Department of Labor						
<i>Montana Department of Labor</i>						
WIOA Cluster						
WORKFORCE INNOVATION & OPPORTUNITY ACT	17.259	07/01/22 - 06/30/23	DLISF20CONWSD_102	\$176,354	176,354	
WORKFORCE INNOVATION & OPPORTUNITY ACT - MOD	17.259	07/01/22 - 06/30/23	DLISF20CONWSD_102_3	\$13,234	13,234	
Total Department of Labor, WIOA Cluster					189,588	-
Department of Transportation						
<i>Montana Department of Transportation</i>						
FORMULA GRANTS FOR OTHER THAN URBANIZED AREAS	20.509	07/01/22 - 06/30/23	111298	\$1,447,895	1,447,895	
Total Department of Transportation					1,447,895	-
Department of Energy						
<i>Montana Dept. of Health and Human Services</i>						
DOE WEATHERIZATION 22-23	81.042	07/01/22 - 06/30/23	22-028-30027-0	\$224,901	136,413	
Total Department of Energy					136,413	-
Department of Health and Human Services						
<i>Rocky Mountain Development Council, Inc.</i>						
Aging Cluster						
TITLE III-B HOME MAKER SERVICES	93.044	07/01/22 - 06/30/23	2021-004-013	\$381	381	
TITLE III-B HOME MAKER SERVICES ARPA	93.044	07/01/22 - 06/30/23	2021-004-013	\$1,734	1,734	
TITLE III-B HOME MAKER SERVICES - PARK COUNTY ARPA	93.044	07/01/22 - 06/30/23	2021-004-013	\$1,500	1,500	
TITLE III-B RSVP ARPA	93.044	07/01/22 - 06/30/23	2021-004-013	\$2,325	2,325	
TITLE III-B SENIOR REACH ARPA	93.044	07/01/22 - 06/30/23	2021-004-013	\$10,000	10,000	
TITLE III-B SHIP	93.044	07/01/22 - 06/30/23	2021-004-013	\$25,246	25,246	
TITLE III-B SHIP ARPA	93.044	07/01/22 - 06/30/23	2021-004-013	\$25,000	25,000	
Total Aging Cluster					66,186	-

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023

FEDERAL SOURCE <i>PASS THROUGH SOURCE</i> PROGRAM NAME	Assisted Listing No.	Grant Term	Pass Through Number	Total Dollars Awarded	Total Federal Expenditures	Awards to Subrecipients
Department of Health and Human Services, continued						
TITLE III-E RESPITE / CAREGIVER SUPPORT	93.052	07/01/22 - 06/30/23	2021-004-013	\$22,298	22,298	
TITLE III-E RESPITE ARPA	93.052	07/01/22 - 06/30/23	2021-004-013	\$3,702	3,702	
TITLE III-E RESPITE - PARK COUNTY	93.052	07/01/22 - 06/30/23	2021-004-013	\$19,794	19,794	
TITLE III-E RESPITE - PARK COUNTY ARPA	93.052	07/01/22 - 06/30/23	2021-004-013	\$3,706	3,706	
TITLE III-E SHIP	93.052	07/01/22 - 06/30/23	2021-004-013	\$18,789	18,789	
Total National Family Caregiver Support					68,289	-
STATE HEALTH INSURANCE ASSISTANCE PROGRAM	93.324	07/01/22 - 06/30/23	2021-004-013	\$10,000	10,000	-
<i>Missoula Aging Services (Area XI Agency on Aging)</i>						
SENIOR MEDICARE PATROL 22-23	93.048	06/01/22 - 05/31/23	None: MOU	\$9,537	9,568	
Total Senior Medicare Patrol					9,568	-
<i>Montana Dept. of Health and Human Services</i>						
CSBG 22	93.569	01/01/22 - 06/30/23	20-028-10007-0	\$362,119	362,119	
CSBG CARES 21	93.569	05/01/20 - 09/30/23	21-028-19047-0	\$324,632	162,181	10,297
Total CSBG					524,300	10,297
<i>Direct</i>						
Head Start Cluster						
HEAD START 22-23	93.600	04/01/22 - 03/31/23	08CH010871-04	\$1,733,699	1,325,007	
In-Kind					142,987	
HEAD START 23-24	93.600	04/01/23 - 03/31/24	08CH010871-05	\$1,872,696	387,443	
In-Kind					12,387	
HEAD START COVID ARPA 2	93.600	04/01/21 - 03/31/23	08HE000196-01-01	\$181,868	75,993	
<i>Less Program Income and In-Kind</i>					(155,374)	
Total Head Start Cluster					1,788,443	-
Child Care & Development Fund Cluster						
CHILDCARE STABILIZATION GRANT - LIVINGSTON	93.575	01/18/22 - 06/30/23	2225CCPG0452	\$63,145	52,807	
CHILDCARE STABILIZATION GRANT - BOZEMAN	93.575	01/18/22 - 06/30/23	2225CCPG0453	\$88,724	75,172	
CHILDCARE STABILIZATION GRANT - BELGRADE	93.575	01/18/22 - 06/30/23	2225CCPG0454	\$188,625	141,176	
Total CCDF Cluster					269,155	-

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023

FEDERAL SOURCE PASS THROUGH SOURCE PROGRAM NAME	Assisted 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>						
LIHEAP CLIENT EDUCATION/ADVOCACY 21-22	93.568	10/01/21 - 09/30/22	22-028-13007-0	\$32,371	32,371	
LIHEAP CLIENT EDUCATION/ADVOCACY 22-23	93.568	10/01/22 - 09/30/23	23-028-13007-0	\$31,051	969	
LIHEAP CLIENT EDUCATION/ADVOCACY 21-22 ARPA	93.568	10/01/21 - 09/30/23	21-028-19053-0	\$15,081	7,417	
LIHEAP OUTREACH 22-23	93.568	10/01/22 - 09/30/23	23-028-13007-0	\$31,033	205	
LIHEAP OUTREACH 21-22 ARPA	93.568	10/01/21 - 09/30/23	21-028-19053-0	\$36,783	12,793	
LIHEAP ADMINISTRATION 21-22	93.568	10/01/21 - 09/30/22	22-028-13007-0	\$68,167	68,167	
LIHEAP ADMINISTRATION 22-23	93.568	10/01/22 - 09/30/23	23-028-13007-0	\$58,749	11,122	
LIHEAP ADMINISTRATION 21-22 ARPA	93.568	10/01/21 - 09/30/23	21-028-19053-0	\$98,213	20,180	
LIHEAP CONTINGENCY REVOLVING FUND 21-22	93.568	11/04/21 - 11/09/22	22-028-11007-0	REIMB	45,727	
LIHEAP CONTINGENCY REVOLVING FUND 22-23	93.568	11/10/22 - 11/08/23	23-028-11007-0	REIMB	69,556	
LIHEAP CONTINGENCY REVOLVING ARPA	93.568	10/01/21 - 09/30/23	21-028-19053-0	REIMB	16,522	
LIHEAP WEATHERIZATION 21-22	93.568	10/01/21 - 09/30/22	19-028-16007-0	\$334,993	67,124	
LIHEAP WEATHERIZATION 22-23	93.568	10/01/22 - 09/30/23	20-028-16007-0	\$277,098	149,834	
LIHEAP WEATHERIZATION 21-22 ARPA	93.568	07/01/21 - 09/30/22	21-028-19090-6	\$286,947	62,441	
Total LOW INCOME HOME ENERGY ASSISTANCE PGM					564,428	-
LOW INCOME HOUSEHOLD WATER ASSISTANCE PGM ARPA	93.499	10/01/21 - 09/30/23	21-028-18053-0	\$23,754	20,930	
LOW INCOME HOUSEHOLD WATER ASSISTANCE PGM	93.499	05/28/21 - 09/30/23	22-028-18053-0	\$15,368	15,368	
Total LIHWAP					36,298	-
<i>Action Inc</i>						
CHAFEE FOSTER CARE INDEPENDENCE	93.674	07/01/22 - 06/30/23	20123FCIP0008	\$ 109,842	101,420	-
<i>Montana Dept. of Health and Human Services</i>						
RYAN WHITE PART B HIV CARE FORMULA GRANT	93.917	10/01/21 - 03/31/23	22-07-4-51-310-0	\$50,363	33,984	
RYAN WHITE PART B HIV CARE FORMULA GRANT	93.917	04/01/23 - 03/31/24	23-07-4-51-310-0	\$23,550	8,073	
Total HIV Care Formula Grant					42,057	-
PROJECTS FOR ASSISTANCE IN TRANSITION FROM HOMELESSNESS	93.150	03/01/22 - 06/30/23	22-332-74130-0	\$166,666	146,243	-
SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT (PATH)	93.959	03/01/22 - 06/30/23	22-332-74130-0	\$33,334	33,334	-
SAMHSA MENTAL HEALTH BLOCK GRANT (DROP IN CENTER)	93.958	07/01/22 - 09/30/23	21-332-74081-0	\$156,250	145,547	-
Total Department of Health and Human Services					3,805,268	10,297

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023

FEDERAL SOURCE <i>PASS THROUGH SOURCE</i> PROGRAM NAME	Assisted 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 2022-23	94.002	04/01/22 - 03/31/23	21SRDMT002	\$86,161	57,008	
COVID-19 RSVP ARPA Carryover	94.002	04/01/22 - 03/31/23	21SRDMT002	\$29,700	22,766	
Match					34,240	
RSVP 2023-24	94.002	04/01/23 - 03/31/24	21SRDMT002	\$86,161	19,429	
Match					16,138	
<i>Less Match</i>					(50,378)	
SENIOR DEMONSTRATION PROGRAM	94.017	4/01/22 - 03/31/24	22SDDMT001	\$200,000	79,011	
Match					27,165	
<i>Less Match</i>					(27,165)	
Total Corporation for National and Community Service					<u>178,214</u>	<u>-</u>
Department of Agriculture						
<i>Montana Dept. of Health and Human Services</i>						
Child and Adult Care Food Program 22-23	10.558	04/01/22 - 03/31/23	HS 04087C		55,391	
Child and Adult Care Food Program 23-24	10.558	04/01/23 - 03/31/24	HS 04087C		21,972	
					<u>77,363</u>	<u>-</u>
<i>Montana Office of Public Instruction</i>						
Child Nutrition Cluster						
Summer Food Service Program for Children '22	10.559	10/01/21 - 09/30/22	16-6512		59,374	
Summer Food Service Program for Children '23	10.559	10/01/22 - 09/30/23	16-6512		41,428	
Total Child Nutrition Cluster					<u>100,802</u>	<u>-</u>
<i>Montana Dept. of Health and Human Services</i>						
Food Distribution Cluster						
Commodity Supplemental Food Program 22-23	10.565	10/01/21 - 09/30/22	22-027-21002-0		45,869	
Commodity Supplemental Food Program 23-24	10.565	10/01/22 - 09/30/23	23-027-21002-0		142,180	
Total Food Distribution Cluster					<u>188,048</u>	<u>-</u>
Total Department of Agriculture					<u>366,213</u>	<u>-</u>
TOTAL FEDERAL AWARDS EXPENDED					<u>\$ 8,990,337</u>	<u>\$ 10,297</u>
LOAN AND LOAN GUARANTEES				Principal Repayment	Amount Owed June 30, 2023	
<i>Direct Loan Guaranteed by the U.S. Department of Housing</i>	14.181			<u>\$ -</u>	<u>\$ 438,100</u>	

Human Resources Development Council of District IX, Inc.
Bozeman, Montana

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023

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 ACCOUNT 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 10 percent de minimis indirect cost rate allowed under Uniform Guidance.

NOTE 4. MATCHING

In accordance with the terms of the grants, HRDC has expended matching contributions during the year ended June 30, 2023, for the following programs:

Department of Health and Human Services:

Department of Health and Human Services:

Head Start	\$ 155,373
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Retired and Senior Volunteer Program	\$ 21,080
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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, 2023.

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

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

We have audited 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, the consolidated financial statements of Human Resource Development Council of District IX, Inc.(HRDC), which comprise the consolidated statement of financial position as of June 30, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements and have issued our report thereon dated February 1, 2024.

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

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carver Florek & James, CPAs

Carver Florek & James, CPAs
Missoula, Montana
February 1, 2024

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

The Board of Directors of
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. (HRDC)'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of HRDC's major federal programs for the year ended June 30, 2023. HRDC's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, HRDC complied, in all material respects, with the 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, 2023.

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

We are required to be independent of 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.

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *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.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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.

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 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. *Government Auditing Standards* requires the auditor to perform limited procedures on HRDC's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. HRDC's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Carver Florek & James, CPAs

Carver Florek & James, CPAs
Missoula, Montana
February 1, 2024

Human Resource Development Council of District IX, Inc.
Bozeman, Montana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued Unmodified

Internal control over financial reporting:

Material weaknesses identified? No

Significant deficiencies identified not considered
to be material weaknesses? No

Noncompliance material to the financial statements noted? No

Federal Awards

Internal control over major programs:

Material weaknesses identified? No

Significant deficiencies identified not considered
to be material weaknesses? None Reported

Type of auditor’s report issued on compliance for major programs Unmodified

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

Identification of Major Programs:

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing</u>
	<u>Number</u>
Community Development Block Grant	14.228
Housing Trust Fund	14.275
Head Start Cluster	93.600

The dollar threshold used to distinguish between Type A and Type B programs as described in the Uniform Guidance was \$750,000.

Auditee qualified as a low-risk auditee? Yes

Human Resource Development Council of District IX, Inc.
Bozeman, Montana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.

Section IV – Summary Schedule of Prior Year Findings

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