

Human Resource Development  
Council of District IX, Inc.  
AUDITED  
CONSOLIDATED FINANCIAL STATEMENTS  
  
For the Years Ended  
June 30, 2024 and 2023

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

TABLE OF CONTENTS

	<u>Page(s)</u>
Independent Auditor’s Report-----	1 to 3
Management Discussion and Analysis-----	4 and 5
Consolidated Financial Statements	
Consolidated Statements of Financial Position -----	6 and 7
Consolidated Statements of Activities -----	8 and 9
Consolidated Statements of Functional Expenses -----	10 and 11
Consolidated Statements of Cash Flows -----	12 and 13
Notes to the Consolidated Financial Statements -----	14 to 57
Supplemental Information	
Explanation of Supplemental Schedules -----	58
Consolidating Schedules of Financial Position -----	59 and 60
Consolidating Schedules of Activities -----	61 and 62
<i>HRDC Properties</i>	
Schedules of Financial Position-----	63 and 64
Schedules of Activities-----	65 and 66
<i>HRDC Disregarded Entities (LLCs)</i>	
Schedules of Financial Position-----	67 and 68
Schedules of Activities-----	69 and 70
<i>Home Corporation (Unaudited)</i>	
Schedules of Financial Position-----	71
Schedules of Activities-----	72
Schedules of Cash Flows -----	73
<i>Sherwood Inn Apartments, Inc. (Unaudited)</i>	
Schedules of Financial Position-----	74
Schedules of Activities-----	75
Schedules of Cash Flows -----	76

*Unrestricted Corporate Funds. (Unaudited)*

Schedules of Financial Position----- 77  
Schedules of Revenues, Expenses, and Changes in Net Assets ----- 78

Schedules of Revenues, Expenses, and Changes in Net Assets (Unaudited)

Weatherization Assistance – LIEAP ----- 79  
Weatherization Assistance – DOE ----- 80  
LIEAP Administration Program ----- 81  
Low-Income Energy Assistance Program ----- 82  
LIEAP Client Education & Outreach Program ----- 83  
Northwestern Energy Weatherization Program----- 84  
Energy Share ----- 85  
HUD Emergency Shelter Grants Program----- 86  
HUD Emergency Shelter Grants Program----- 87  
Section 8 Housing Program ----- 88  
Home to Stay – Emergency Services ----- 89  
Drop In Center ----- 90  
Ryan White Part B HIV Care ----- 91  
Rapid Re-Housing ----- 92  
Warming Center ----- 93  
Livingston Warming Center----- 94  
Path ----- 95  
Gallatin Valley Food Bank ----- 96  
Gallatin Valley Food Bank – Senior CFSP----- 97  
Fork and Spoon Homestyle Kitchen ----- 98  
Healthy KidsPack Program----- 99  
Summer Lunch Program----- 100  
Headwaters Area Food Bank----- 101  
Big Sky Community Food Bank----- 102  
In-Home Services----- 103  
In-Home Services – Park County----- 104  
Senior Reach ----- 105  
State Health Insurance Program (SHIP) – Information and Assistance -- 106  
Supplemental Nutrition Assistance Program (SNAP) ----- 107  
Retired Senior Volunteer Program ----- 108  
Senior Demonstration Project----- 109  
Senior Medicare Patrol----- 110  
Sherwood Service Coordinator ----- 111  
Galavan/Senior Transportation ----- 112  
Streamline Bus/Public Transportation ----- 113  
Chafee Foster Care Independence Program ----- 114  
Blueprint – Youth Transitional Living----- 115  
Resource Property Management----- 116  
Head Start Program----- 117  
Head Start Facilities ----- 118  
Road to Home – Homebuyer Education ----- 119  
Community Services Block Grant----- 120

Community Services Block Grant-----	121
HRDC Central Office -----	122
Schedule of Administrative Costs Allocated-----	123
YHDP – Transitional Housing: Rapid Rehousing-----	124
YHDP – Rapid Re-Housing-----	125
YHDP – Permanent Supportive Housing-----	126
YHDP – Systems Navigation -----	127
YHDP – Diversion -----	128
LISC – Capacity -----	129
LISC – Financial Opportunity Center-----	130
LISC – Healthy Housing Colorado-----	131
Day 1 Families -----	132

Single Audit Section

Schedule of Expenditures of Federal Awards -----	133 to 137
Notes to the Schedule of Expenditures of Federal Awards -----	138
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 <i>Government Auditing Standards</i> -----	139 and 140
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required By The Uniform Guidance-----	141 to 143
Schedule of Findings and Questioned Costs -----	144 and 145

## 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 statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities, functional expenses and cash flows for the years 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, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinion

We conducted our audits 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 Human Resource Development Council of District IX and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Responsibilities of Management for the 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 and 5, 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 January 23, 2025 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  
January 23, 2025



## Management Discussion & Analysis

Reflecting on the last fiscal year, we at HRDC have much to be proud of. While our community continues to evolve due to growth and many changing factors, HRDC remains dedicated to supporting those most affected by the escalating costs of being able to afford to live and work in this valley. We are committed to continue to innovate and adapt to better fill these gaps across our service area.

In December of 2023, we completed our Market Place Building, collocating the majority of our programming and increasing our ability to meet the needs of the community. Market Place includes a warehouse for emergency food storage, a commercial kitchen, a grocery area, a pay-what-you-can restaurant, and space for enrichment and educational opportunities. Here, we begin our journey alongside our neighbors, helping them access critical programming and providing them with tools to gain and maintain stability and begin to focus on economic mobility.

Additionally, HRDC continues to work with the newly formed Gallatin Valley Urban Transportation District (GVUTD) to make the new future of transportation in our area a reality. HRDC and GVUTD have agreed to collaborate on what this transition will look like. Key priorities include maintaining equitable service options and service for seniors. There is also a commitment to prioritizing transportation planning efforts for people living on low incomes, historically marginalized populations, and those who do not drive. This includes ensuring public transportation access to community housing, healthcare, educational opportunities, and food. Customer service also remains a top priority, as we aim to build upon a positive public perception of Streamline and secure sustainable funding for the future.

HRDC also continues our work to find local solutions and strategies to address and solve our housing shortage, from housing coalition work to on-the-ground development. HRDC is active in each community across Gallatin, Park, and Meagher counties and is working towards solutions.

Financially, HRDC continues to operate very efficiently. Our general administration expense ratio is approximately 9% of our total annual expenses of operations based on HRDC's Consolidated Statement of Functional Expenses for fiscal year 2023-24. In addition, our Fundraising and Outreach & Communication activities represented 2.3% of our annual expenses during the Fiscal Year.



In addition to our 2023-24 ongoing core operations, HRDC's Consolidated Statement of Activities for the fiscal year ended June 30, 2024 includes the following nonrecurring activity:

- Nonrecurring net gain on sale of property of \$3,502,002
- Pledged contributions restricted for future capital projects of \$136,422
- Nonrecurring federal grants of \$3,582,447 to assist with capital projects and bus acquisition
- Assets released from program restrictions that are not related to operations of \$11,082,125
- Nonrecurring expenses of \$541,852 in contracted services for closing on funding for Homeward Point

Excluding these nonrecurring activities, HRDC had ongoing revenues from our core operations of \$21.5 million and corresponding expenses of \$21.9 million in fiscal year 2023-24, compared with ongoing core revenues of \$23.3 million and corresponding expenses of \$20.8 million in fiscal year 2022-23

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 2023-24, 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 are \$18.2 million and adjusted ongoing core expenses are \$18.7 million for fiscal year 2023-24.

Spread across our services, this represents a cost of \$985 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 we move into 2025 HRDC continues to support our developments and program areas across our three county service area. We are also making significant progress in our construction of the Homeward Point Building, which will provide the first purpose built shelter for Gallatin County, which will open in the Summer of 2025, and is an integral part of Gallatin County's strategy to address homelessness.



## **FINANCIAL STATEMENTS**

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
As of June 30, 2024 and 2023

	2024	2023
<b>ASSETS</b>		
Cash and cash equivalents	\$ 6,314,915	\$ 7,106,309
Escrow and building reserve	446,216	402,419
Cash restricted for capital campaign	11,336,645	2,543,195
Receivables (Note 3)		
Grants	1,738,420	2,493,781
Accounts receivable, net	708,726	1,751,410
Pledges receivable, net	2,133,195	3,011,542
Prepaid expenses	263,936	246,410
Investments (Note 4)	3,659,702	6,486,576
Inventory - supplies and food bank	427,812	225,124
Inventory - condominiums, federal constraints	323,076	323,076
Deferred loans receivable, net (Note 3)	5,208,527	5,315,278
Construction in progress (Note 6)	5,561,150	15,289,198
Right-to-use assets	545,717	586,970
Property and equipment, net, federal constraints (Note 6)	7,845,424	6,481,385
Property and equipment, net (Note 6)	29,388,233	12,266,537
<b>TOTAL ASSETS</b>	<b>\$ 75,901,694</b>	<b>\$ 64,529,210</b>

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, 2024 and 2023

	2024	2023
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 1,433,918	\$ 1,010,789
Accrued liabilities	1,190,672	998,942
Accrued vacation, sick, and paid time off	329,706	268,144
Accrued interest payable	-	8,874
Deposits payable	250,461	459,604
Unearned revenue (Note 7)	33,968	15,669
Lease liability	545,717	586,970
Notes payable (Note 8)	18,888,622	14,110,097
TOTAL LIABILITIES	22,673,064	17,459,089
NET ASSETS		
Without donor restrictions		
Undesignated	40,674,241	24,647,400
Federal-constrained inventory and capital assets	8,220,450	6,804,461
Total net assets without donor restrictions	48,894,691	31,451,861
With donor restrictions		
Purpose or time restrictions	4,109,811	15,394,132
Perpetual in nature (endowment)	224,128	224,128
Total net assets with donor restrictions	4,333,939	15,618,260
TOTAL NET ASSETS	53,228,630	47,070,121
TOTAL LIABILITIES AND NET ASSETS	\$ 75,901,694	\$ 64,529,210

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, 2024 and 2023

	2024	2023
NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES		
Contract revenue	\$ 862,910	\$ 1,037,433
Developers' fee	622,408	465,571
Revenue from partnership	-	1
Rental income	1,004,189	1,086,287
City/County/Local Government support	1,306,683	2,802,107
Contributions of cash and other financial assets:		
Grants:		
Federal	11,553,673	7,435,491
State	841,978	748,828
Private	419,347	542,305
Pledged contributions	136,422	927,616
Contributions and fundraising	4,000,130	5,111,645
Nonfinancial asset contributions (food and services)	3,287,804	3,289,076
Net investment (loss) income	672,955	305,700
Gain on sale of property	3,418,072	178,182
Forgiveness of debt	-	891,727
Other	317,594	121,793
Net assets released from program restrictions	11,419,023	152,810
<b>TOTAL REVENUES</b>	<b>\$ 39,863,188</b>	<b>\$ 25,096,572</b>

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, 2024 and 2023

	2024	2023
<b>EXPENSES</b>		
Program Services		
Energy	\$ 914,143	\$ 887,744
Food and nutrition	5,797,176	5,409,865
Senior programs	542,002	511,451
Community development	1,943,634	868,171
Economic development	428,867	661,986
Housing	4,559,833	4,673,374
Early childhood education	2,093,729	2,101,791
Transportation	3,602,751	3,612,543
Total Program Services	19,882,135	18,726,925
Supportive Services		
Administration	2,023,422	2,143,487
Fundraising	519,089	645,254
Total Supportive Services	2,542,511	2,788,741
<b>TOTAL EXPENSES</b>	<b>22,424,646</b>	<b>21,515,666</b>
Change in net assets without donor restrictions	17,438,542	3,580,906
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>		
Purpose-or-time restricted contributions	138,990	6,836,643
Perpetually-restricted contributions	-	5,000
Net assets released from restrictions	(11,419,023)	(152,810)
Change in net assets with donor restrictions	(11,280,033)	6,688,833
<b>TOTAL CHANGE IN NET ASSETS</b>	<b>6,158,509</b>	<b>10,269,739</b>
NET ASSETS, beginning of year	47,070,121	37,800,382
Capital contribution	-	-
Investment in partnership interest	-	(1,000,000)
NET ASSETS, end of year	<b>\$ 53,228,630</b>	<b>\$ 47,070,121</b>

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, 2024

	PROGRAM SERVICES							SUPPORTIVE SERVICES			Total
	Energy	Food & Nutrition	Senior Programs	Community Development	Economic Development	Housing	Early Childhood Education	Transportation	General Administration	Fundraising	
Salaries	\$ 371,496	\$ 1,077,414	\$ 378,614	\$ 552,590	\$ 285,616	\$ 1,991,447	\$ 1,086,952	\$ 516,918	\$ 1,151,656	\$ 274,998	\$ 7,687,701
Payroll taxes and benefits	106,291	288,204	98,468	147,493	74,217	523,757	356,959	142,201	315,826	69,156	2,122,572
Bad debt expense	-	-	-	612	-	4,270	-	-	-	-	4,882
Client assistance	227,944	1,357	-	16,797	6,286	182,399	21,920	28,259	-	8,722	493,684
Closing costs and housing fees	-	21,226	549	-	6,288	-	-	45,857	-	-	73,920
Contract services	103,765	5,025	1,602	615,308	4	63,066	50,319	972,801	80,645	11,116	1,903,651
Depreciation and amortization	23,203	293,547	6,879	23,618	6,129	595,764	79,105	757,826	26,081	4,286	1,816,438
Food	-	461,373	-	-	-	-	63,397	-	13,710	-	538,480
Fundraising	-	12,006	10,093	-	23	741	-	31	-	19,747	42,641
In-kind donations	-	3,194,412	-	-	-	-	73,291	-	-	-	3,267,703
Insurance	13,725	39,462	6,400	44,432	3,603	115,474	27,568	332,342	14,343	3,230	600,579
Interest	-	3,494	-	325,287	-	178,079	21,107	-	20,964	-	548,931
Legal and audit	-	405	-	3,882	-	11,382	-	2,020	60,998	-	78,687
Loans forgiven	-	-	-	41,007	-	-	-	-	-	-	41,007
Office costs	4,030	17,522	7,677	24,110	3,643	25,770	41,940	33,511	345,665	28,931	532,799
Other	32	14,162	180	73,427	611	2,802	13,381	194,847	8,344	11,073	318,859
Outreach and marketing	108	5,688	511	1,557	-	7,108	1,317	75,008	31,129	6,527	128,953
Repairs and maintenance	6,473	8,897	-	3,316	-	161,258	11,061	180,058	22,074	-	393,137
Space and occupancy costs	27,126	274,987	22,980	46,958	23,236	570,219	100,012	78,910	(162,447)	16,864	998,845
Subgrants	-	-	-	13,145	-	-	-	-	-	-	13,145
Supplies	2,006	48,796	2,102	604	1,104	72,411	109,444	16,070	56,358	40,555	349,450
Trainee wages and benefits	-	-	-	-	7,775	-	-	-	-	-	7,775
Training	12,644	1,452	1,621	6,034	5,933	40,898	29,582	3,921	31,548	4,472	138,105
Travel and transportation	15,300	27,747	4,326	3,457	4,399	12,988	6,374	222,171	6,528	19,412	322,702
<b>TOTAL EXPENSES</b>	<b>\$ 914,143</b>	<b>\$ 5,797,176</b>	<b>\$ 542,002</b>	<b>\$ 1,943,634</b>	<b>\$ 428,867</b>	<b>\$ 4,559,833</b>	<b>\$ 2,093,729</b>	<b>\$ 3,602,751</b>	<b>\$ 2,023,422</b>	<b>\$ 519,089</b>	<b>\$ 22,424,646</b>
	4.08%	25.85%	2.42%	8.67%	1.91%	20.33%	9.34%	16.07%	9.02%	2.31%	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, 2023

	PROGRAM SERVICES							SUPPORTIVE SERVICES			Total
	Energy	Food & Nutrition	Senior Programs	Community Development	Economic Development	Housing	Early Childhood Education	Transporation	General Administration	Fundraising	
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
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
<b>TOTAL EXPENSES</b>	<b>\$ 887,744</b>	<b>\$ 5,409,865</b>	<b>\$ 511,451</b>	<b>\$ 868,171</b>	<b>\$ 661,986</b>	<b>\$ 4,673,374</b>	<b>\$ 2,101,791</b>	<b>\$ 3,612,543</b>	<b>\$ 2,143,487</b>	<b>\$ 645,254</b>	<b>\$ 21,515,666</b>
	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 Resource Development Council of District IX, Inc.  
Bozeman, Montana

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
For the Years Ended June 30, 2024 and 2023

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received From:		
Grantors	\$ 13,588,658	\$ 8,150,427
Contracts	2,528,002	1,624,625
Rentals	1,004,189	1,086,287
City/County/Local Government	1,306,683	2,802,107
Contributions	5,153,889	11,822,572
Interest and dividends	233,829	-
Other activities	317,594	121,794
Cash Paid For/To:		
Employees	(9,748,711)	(9,716,338)
Supplies	(1,072,471)	(1,173,926)
Direct assistance to clients	(1,126,990)	(1,357,424)
Other operational expenses	(4,533,596)	(3,801,916)
Fundraising activities	(42,641)	(47,249)
Interest	(557,805)	(292,558)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>7,050,630</b>	<b>9,218,401</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of capital assets	(11,246,289)	(11,214,022)
Proceeds from sales of assets	4,090,236	315,820
Investment purchases	-	(4,835,667)
Proceeds from sales of investments	3,266,000	-
Principal loan receivable payments received	106,751	103,738
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(3,783,302)</b>	<b>(15,630,131)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Capital distributions paid	-	(1,000,000)
Proceeds from long-term debt	5,934,203	72,500
Principal payments on long-term debt	(1,155,678)	(1,133,765)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>4,778,525</b>	<b>(2,061,265)</b>
Net change in cash and cash equivalents	8,045,853	(8,472,995)
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	10,051,923	18,524,918
End of year	<b>\$ 18,097,776</b>	<b>\$ 10,051,923</b>
<b>Reconciliation to Consolidated Statements of Financial Position</b>		
Cash and cash equivalents	\$ 6,314,915	\$ 7,106,309
Escrow and building reserve	446,216	402,419
Cash restricted for capital campaign	11,336,645	2,543,195
	<b>\$ 18,097,776</b>	<b>\$ 10,051,923</b>

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, 2024 and 2023

	2024	2023
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 6,158,509	\$ 10,269,739
Adjustments to reconcile change in net assets to net cash from operating activities:		
Items not affecting cash:		
Depreciation and amortization	1,816,438	1,318,600
Bad debt, allowances, and loans forgiven	-	13,028
Net investment loss (income)	(672,955)	(305,700)
Investment interest reinvested	233,829	-
Gain on sale of property and equipment	(3,418,072)	(178,182)
Forgiveness of debt	-	(891,727)
Changes in operating assets and liabilities		
Inventory	(202,688)	266,958
Grants receivable	755,361	(538,724)
Accounts receivable, net	1,042,684	121,621
Pledges receivable, net	878,347	(1,058,332)
Prepaid expenses	(17,526)	(13,067)
Accounts payable	423,129	(207,488)
Accrued liabilities	244,418	149,595
Deposits payable	(209,143)	309,553
Unearned revenue	18,299	(37,473)
Total adjustments	892,121	(1,051,338)
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ 7,050,630	\$ 9,218,401
SUPPLEMENTAL SCHEDULE OF NON-CASH OPERATING ACTIVITIES		
Contributions of food	\$ 3,287,804	\$ 3,126,476
SUPPLEMENTAL SCHEDULE OF NON-CASH FINANCING ACTIVITIES		
Forgiveness of debt	\$ -	\$ 891,727

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, 2024 and 2023

**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, Summit Apartments, Inc., Sherwood Inn Apartments, Inc., 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, Livingston Cottages, Wheat Suites, 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, 2024 and 2023

**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, 2024 and 2023

**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; Darlington Manor Apartments, a 100-unit building in Bozeman owned by the Darlington Manor HP-HRDC Limited Partnership, whose partner-owners are Darlington Apartments Inc. and Darlington 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 \$67,321 for the year ended June 30, 2024. 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, 2024 and 2023

**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, 2024 and 2023

**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, 2024 and 2023, 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, 2024 and 2023.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

**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, 2024 and 2023, there were no conditional promises to give.

HRDC has an additional \$4,051,058 and \$4,799,085 in unearned grant commitments as of June 30, 2024 and 2023, 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, 2024 and 2023, 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.

Supplies and food bank inventories contain repair parts used in the weatherization program (\$7,979 and \$8,574 on June 30, 2024 and 2023, respectively) and the food inventory at the Gallatin Valley Food Bank, Big Sky Community Food Bank and Headwaters Area Food Bank (\$419,688 and \$216,405 on June 30, 2024 and 2023, respectively).

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

**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, 2024 and 2023 was \$1,816,438 and \$1,318,600, respectively.



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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

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

**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, 2024 and 2023, the Vacation Leave/PTO Fund had a liability balance of \$317,837 and \$256,030, respectively.

HRDC pays terminating employees one quarter of the value of their unused sick leave. On June 30, 2024 and 2023, the liability for one quarter unused sick leave was \$11,869 and \$12,114 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, 2024 and 2023

**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, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Griffin Site Development	\$ -	\$ 11,082,125
Galavan Transportation operations	1,246,676	1,148,760
Big Sky Community Food Bank	201,388	220,227
Road to Home homeownership center	131,809	293,087
Healthy Kids Pack Food program	19,872	27,357
Outcomes for Coordinated Entry	-	4,143
Title 3 Home Care	12,253	12,253
Sunset Park Hope Relocation	8,809	8,809
Fork and Spoon	2,751	251
Family Shelter operations	2,280,539	2,425,691
Warming Center operations	205,714	171,429
Total purpose-or-time restricted	<u>\$ 4,109,811</u>	<u>\$ 15,394,132</u>

A summary of net assets perpetual in nature at June 30, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Warming Center	\$ 76,302	\$ 76,302
Gallatin Valley Food Bank	76,301	76,301
Greatest Needs of HRDC	18,411	18,411
Capital Campaign	53,114	53,114
Total perpetually-restricted (endowment)	<u>\$ 224,128</u>	<u>\$ 224,128</u>

**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, 2024 and 2023

**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, 2023 and 2022, are recognized monthly over the contract period. This revenue includes property management income and public transportation contracted services. Accounts receivable as of June 30, 2024, June 30, 2023 and July 1, 2022 amounted to \$705,661, \$1,751,410 and \$1,873,031, 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, 2024 and 2023, total \$73,290 and \$37,020, 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 \$1.93 and \$1.92 for the years ended June 30, 2024 and 2023, 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 \$3,214,514 and \$3,089,456 for the years ended June 30, 2024 and 2023, 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 \$128,953 and \$192,537 for the years ended June 30, 2024 and 2023, 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 2024 or 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

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

**P. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

**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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

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

**Q. 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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

**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, 2024 and 2023:

	2024	2023
Cash and cash equivalents	\$ 6,314,915	\$ 7,106,309
Escrow and building reserve	446,216	402,419
Cash restricted for capital campaign	11,336,645	2,543,195
Receivables	4,580,341	7,256,733
Prepaid expenses	263,936	246,410
Investments	3,659,702	6,486,576
Inventories	750,888	548,200
Total assets	27,352,643	24,589,842
Escrow and building reserve	(446,216)	(402,419)
Receivables (grants)	(1,738,420)	(2,493,781)
Receivables (pledges)	(2,133,195)	(3,011,542)
Prepaid expenses	(263,936)	(246,410)
Inventories	(750,888)	(548,200)
Financial assets	22,019,988	17,887,490
Donor-restricted net assets	(4,333,939)	(13,075,065)
Cash committed to HRDC projects	(11,861,015)	(2,543,195)
Financial assets available within 1 year	\$ 5,825,034	\$ 2,269,230

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.  
Bozeman, Montana

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

**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, 2024 and 2023, respectively.

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

		2024		2023
Receivable in one year or less	\$	819,373	\$	1,130,140
Receivable in one to five years		1,587,001		2,249,609
		2,406,374		3,379,749
Less: discount		(273,179)		(368,207)
Net unconditional promises to give	\$	2,133,195	\$	3,011,542

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, 2024 and 2023

**NOTE 3. RECEIVABLES (Continued)**

*Deferred Loans Receivable (Continued)*

The following table presents deferred loans receivable from related parties at June 30, 2024 and 2023:

	2024	2023
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	
Darlington 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.  
Bozeman, Montana

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

**NOTE 3. RECEIVABLES (Continued)**

*Deferred Loans Receivable (Continued)*

The following table presents deferred loans receivable from related parties at June 30, 2024 and 2023 (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, 2024, HRDC had 20 outstanding down payment assistance loans totaling \$325,608, offset by a provision for loan losses of \$105,459. 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, 2024 and 2023, HRDC had 43 small housing assistance loans to clients totaling \$22,556.

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.  
Bozeman, Montana

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

**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, 2024, there were 28 second mortgage loans outstanding in the amount of \$794,566, offset by a provision for loan losses of \$67,000. 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. 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, 2024 and 2023, there were 17 and 18 loans outstanding in the total amount of \$180,088 and \$190,088, 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, 2024, HRDC no longer has any ownership interest in the Meadowview Condominiums.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

**NOTE 3. RECEIVABLES (Continued)**

*Deferred Loans Receivable (Continued)*

A summary of loans receivable and their related allowances at June 30, 2024 and 2023, is as follows:

	Loan Receivable 2024	Allowance for Doubtful Accounts 2024	Loan Receivable 2023	Allowance for Doubtful Accounts 2023
<i>Affordable Housing - Clients</i>				
Road to Home down-payment assistance	\$ 325,607	\$ 105,459	\$ 346,428	\$ 105,459
West Edge condo loans	794,566	67,000	870,496	67,000
Rental housing assistance loans	22,556	-	22,556	-
Willow Spring condo loans	180,088	-	190,088	-
<i>Intercompany Loans</i>				
West Babcock Apartments	143,732	-	149,947	-
Livingston Land Trust Village	182,838	-	173,790	-
Menicucci Square	550,585	-	550,585	-
Housing First Village	5,000	-	5,000	-
Griffin Holding Corp	22,661,930	-	10,484,950	-
HRDC	2,292,979	-	2,561,666	-
<i>Affordable Housing - Related Party</i>				
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	\$ 31,218,050	\$ 172,459	\$ 19,413,675	\$ 172,459
Intercompany elimination	(25,837,064)		(13,925,938)	
Less: allowance	(172,459)		(172,459)	
Deferred loans receivable, net	\$ 5,208,527		\$ 5,315,278	

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

**NOTE 3. RECEIVABLES (Continued)**

An analysis of credit exposure by internally assigned grade at June 30, 2024 and 2023, is as follows:

	Residential		Related Party Commercial	
	2024	2023	2024	2023
Pass - performing loans	\$ 1,322,817	\$ 1,429,568	\$ 4,058,169	\$ 4,058,169
Pass with collateral deficiencies	-	-	-	-
Non-performing, collateralized	-	-	-	-
Non-performing, collateral deficiencies	-	-	-	-
	<u>\$ 1,322,817</u>	<u>\$ 1,429,568</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, 2024 and 2023, is as follows:

	Residential		Related Party Commercial	
	2024	2023	2024	2023
30 - 59 days past due	\$ -	\$ -	\$ -	\$ -
60 - 89 days past due	-	-	-	-
Greater than 90 days past due	-	-	-	-
Total past due	-	-	-	-
Current financing receivables	<u>1,322,817</u>	<u>1,429,568</u>	<u>4,058,169</u>	<u>4,058,169</u>
Total financing receivables	<u>\$ 1,322,817</u>	<u>\$ 1,429,568</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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

**NOTE 3. RECEIVABLES (Continued)**

HRDC's loans receivable are considered deferred loans, therefore no loans are considered past due as of June 30, 2024 and 2023, 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, 2024 and 2023, HRDC did not have any impaired loans.

**NOTE 4. INVESTMENTS**

Investments carried at fair value, as of June 30, 2024 and 2023, are as follows:

	2024		
	Amortized Cost	Fair Value	Net Unrealized (Loss) Gain
Cash held for investment	\$ 278,936	\$ 278,936	\$ -
Equity securities:			
Mutual funds	2,766,508	2,932,470	165,962
Equities	176,654	205,513	28,859
Fixed Income - Other	251,817	242,783	(9,034)
Total investments	\$ 3,473,915	\$ 3,659,702	\$ 185,787
	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	\$ 6,452,311	\$ 6,486,562	\$ 34,251

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

**NOTE 4. INVESTMENTS (Continued)**

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

	2024	2023
Interest, dividends and capital gains	\$ 576,279	\$ 254,399
Loan and other interest income	-	8,320
Realized gains	(2,259)	(21,227)
Unrealized (losses) gains	108,908	66,665
Net realized/unrealized (loss) gain on investments	106,649	45,438
Investment fees	(9,973)	(8,908)
Total investment (loss) income	\$ 672,955	\$ 299,249
Reported as:		
Unrestricted	672,955	305,700
Restricted	-	-
	\$ 672,955	\$ 305,700

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 \$13,985 and \$12,565 for the years ended June 30, 2024 and 2023, respectively.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

**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, 2024 and 2023.

*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, 2024.

	June 30, 2024			
	Fair Value	Level 1	Level 2	Level 3
Cash held for investment	\$ 278,936	\$ 278,936	\$ -	\$ -
Equity securities:				
Mutual funds	2,932,470	2,932,470	-	-
Equities	205,513	205,513	-	-
Fixed Income - Other	242,783	242,783	-	-
Total investments, at fair value	<u>3,659,702</u>	<u>3,659,702</u>	-	-
Pledges receivable	<u>2,133,195</u>	-	-	<u>2,133,195</u>
Total assets, at fair value	<u>\$ 5,792,897</u>	<u>\$ 3,659,702</u>	<u>\$ -</u>	<u>\$ 2,133,195</u>



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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

**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, 2024:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
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, 2023.

	<u>June 30, 2023</u>			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
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	<u>6,486,562</u>	<u>6,486,562</u>	<u>-</u>	<u>-</u>
Pledges receivable	<u>3,011,542</u>	<u>-</u>	<u>-</u>	<u>3,011,542</u>
Total assets, at fair value	<u>\$ 9,498,104</u>	<u>\$ 6,486,562</u>	<u>\$ -</u>	<u>\$ 3,011,542</u>

The following table sets forth by level, within the fair value hierarchy, HRDC's liabilities measured at fair value on a reoccurring basis as of June 30, 2023:

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

**NOTE 5. FAIR VALUE MEASUREMENTS (Continued)**

Changes in level 3 assets and liabilities for the years ended June 30, 2024 and 2023, are as follows:

	Pledges Receivable	Charitable Gift Annuities
Balance, July 1, 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
Additions	74,000	-
Payments	(1,047,375)	-
Changes in discount	95,028	-
Balance, June 30, 2024	\$ <u>2,133,195</u>	\$ <u>21,062</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

**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, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Furniture and equipment	\$ 743,302	\$ 607,970
Vehicles	9,294,090	6,967,877
Land and improvements	8,396,230	7,562,728
Buildings	30,973,922	14,762,882
Leasehold improvements	1,069,548	1,053,093
Less: accumulated depreciation	<u>(13,243,435)</u>	<u>(12,206,628)</u>
Total land, buildings, equipment, and vehicles	<u>37,233,657</u>	<u>18,747,922</u>
Software	139,440	139,440
Less: accumulated depreciation	<u>(139,440)</u>	<u>(139,440)</u>
Total software	<u>-</u>	<u>-</u>
Right-to-use-assets	545,717	586,970
Construction in progress	<u>5,561,150</u>	<u>15,289,198</u>
Total property and equipment	<u>\$ 43,340,524</u>	<u>\$ 34,624,090</u>

Presented on the consolidated statements of financial position as:

Construction in progress	\$ 5,561,150	\$ 15,289,198
Property and equipment, net, federal constraints	7,845,424	6,481,385
Property and equipment, net	29,388,233	12,266,537
Right-to-use-assets	<u>545,717</u>	<u>586,970</u>
Total	<u>\$ 43,340,524</u>	<u>\$ 34,624,090</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

**NOTE 7. UNEARNED REVENUE**

Unearned revenue consists of cash received from grantors that was not earned as of June 30, 2024 and 2023. The activity in the unearned revenue account is as follows:

	2024	2023
Unearned revenue, beginning of year	\$ 3,465,113	\$ 4,952,854
Grant awards received	11,978,676	7,502,596
Grant expenditures	<u>(11,392,731)</u>	<u>(8,990,337)</u>
Gross unearned revenue, end of year	4,051,058	3,465,113
Less: amount not received in cash	<u>(4,017,090)</u>	<u>(3,449,444)</u>
Net unearned revenue	<u>\$ 33,968</u>	<u>\$ 15,669</u>

**NOTE 8. NOTES PAYABLE**

HRDC's notes payable at June 30, 2024 and 2023, are as follows:

	Original Loan Amount	2024 Balance Outstanding	2023 Balance Outstanding
First Security Bank	\$ 660,578	\$ 311,448	\$ 323,961
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	\$ 12,499	\$ 17,499
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.		

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

**NOTE 8. NOTES PAYABLE (Continued)**

	<u>Original Loan Amount</u>	<u>2024 Balance Outstanding</u>	<u>2023 Balance Outstanding</u>
U.S. Department of Agriculture - Rural Development	\$ 116,415	\$ -	\$ 73,242
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
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	\$ 299,044	\$ 309,701
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
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
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.  
Bozeman, Montana

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

**NOTE 8. NOTES PAYABLE (Continued)**

	<u>Original Loan Amount</u>	<u>2024 Balance Outstanding</u>	<u>2023 Balance Outstanding</u>
First Security Bank	\$ 275,000	\$ -	\$ 115,786
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	\$ 74,649	\$ 76,973
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.		
First Security Bank	\$ 540,000	\$ 425,686	\$ 447,408
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.		

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

**NOTE 8. NOTES PAYABLE (Continued)**

	<u>Original Loan Amount</u>	<u>2024 Balance Outstanding</u>	<u>2023 Balance Outstanding</u>
First Security Bank	\$ 1,342,500	\$ 1,045,992	\$ 1,113,053
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	\$ 1,108,945	\$ 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.		
First Security Bank	\$ 423,750	\$ 377,213	\$ 387,704
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	\$ 1,162,164	\$ 1,246,301
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.		

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

**NOTE 8. NOTES PAYABLE (Continued)**

	<u>Original Loan Amount</u>	<u>2024 Balance Outstanding</u>	<u>2023 Balance Outstanding</u>
First Security Bank	\$ 656,250	\$ 598,857	\$ 615,595
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.		
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	\$ 834,240	\$ 853,032
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	\$ 186,357	\$ 190,286
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.		



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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

**NOTE 8. NOTES PAYABLE (Continued)**

	<u>Original Loan Amount</u>	<u>2024 Balance Outstanding</u>	<u>2023 Balance Outstanding</u>
First Security Bank	\$ 3,756,409	\$ 2,798,758	\$ 3,287,962
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.		
MoFi	\$ 2,987,967	\$ 3,132,967	\$ 3,060,467
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.		
Local Initiatives Support Corporation	\$ 40,000	\$ 36,100	\$ -
Original loan date	May 1, 2023		
Maturity date	December 31, 2025		
Terms	Disbursed amounts payable to LISC in full, on the earlier of (i) construction financing, or (ii) December 31, 2025.		
Collateral	Unsecured. Funds used for pre-development design and planning for the Jardine Road parcel in Gardiner, MT.		

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

**NOTE 8. NOTES PAYABLE (Continued)**

	<u>Original Loan Amount</u>	<u>2024 Balance Outstanding</u>	<u>2023 Balance Outstanding</u>
Montana Homeownership Network	\$ 320,000	\$ 320,000	\$ -
Original loan date	February 1, 2024		
Maturity date	February 28, 2026		
Annual payment	None		
Interest rate	6.00%		
Terms	Payable in full at maturity.		
Collateral	Secured by property under development located at 315 W Main Street in Belgrade, MT.		
 Clearwater Credit Union	 \$ 1,136,000	 \$ 1,136,000	 \$ -
Original loan date	February 9, 2024		
Maturity date	February 10, 2026		
Annual payment	None		
Interest rate	6.00%		
Terms	Payable in full at maturity.		
Collateral	Secured by property under development located at 315 W Main Street in Belgrade, MT.		
 MoFi	 \$ 5,089,020	 \$ 4,369,603	 \$ -
Original loan date	February 20, 2024		
Maturity date	December 31, 2054		
Annual payment	Variable		
Interest rate	1.00%		
Terms	Payable in variable annual principal payments of approximately \$258,000 beginning in 2025 to 2032. Annual payments of \$835,361 from 2032 through 2054. 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>18,888,622</u>	\$ <u>14,110,097</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

**NOTE 8. NOTES PAYABLE (Continued)**

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

2025	\$	784,047
2026		2,275,069
2027		853,944
2028		888,803
2029		928,337
Thereafter		<u>13,158,422</u>
Total	\$	<u>18,888,622</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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

**NOTE 8. NOTES PAYABLE (Continued)**

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

	<u>Original Loan Amount</u>	<u>2024 Balance Outstanding</u>	<u>2023 Balance Outstanding</u>
Home Corporation (West Babcock Apartments) - Smyth funds	\$ 200,000	\$ 143,732	\$ 149,947
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		
 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 located at 206 E. Griffin Drive in Bozeman, MT.		
 HRDC Griffin Place Holding Corporation	 \$ 12,176,980	 \$ <u>12,176,980</u>	 \$ <u>                    -</u>
Original loan date	February 20, 2024		
Maturity date	December 31, 2048		
Annual payment	\$ 801,056		
Interest rate	1.27%		
Collateral	Secured by property under development located at 208 E. Griffin Drive in Bozeman, MT.		
 Total long-term intercompany notes payable		 \$ <u>22,805,662</u>	 \$ <u>10,634,897</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

**NOTE 8. NOTES PAYABLE (Continued)**

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

	<u>2024</u>	<u>2023</u>
Other temporary intercompany loans		
Koch Home 8%	\$ 6,952	\$ 10,319
Blueprint N15th Houses 0%	192,463	192,463
HRDC Annex Building 0%	-	145,355
Fork & Spoon Building 0%	-	100,208
Belgrade Head Start Center 0%	317,638	317,638
Willow Springs Townhouse Development 0%	690,331	750,088
Housing First Village 0%	5,000	5,000
Livingston Head Start Center 0%	40,000	-
Livingston Land Trust Cottages 0%	182,837	173,790
Cottages at Menicucci Square 0%	550,585	550,585
HRDC NMTC/Capital Campaign 0%	<u>1,045,595</u>	<u>1,045,595</u>
Total other temporary intercompany loans	<u>\$ 3,031,401</u>	<u>\$ 3,291,041</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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

**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 to effectively serve the Livingston community with HRDC programs and services. The initial term of the lease expires in July 2027 and has two additional five-year renewal options. Rent increases each year based on MT CPI. Rent was \$516 per month for the current year.

HRDC entered into a lease agreement in July 2022 for the warming center in Livingston, Montana. The initial term of the lease expires in July 2027 and has two additional five-year renewal options. Rent increases each year based on MT CPI. Rent was \$490.20 per month for the current year.

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 expired on April 2024. Rent under the agreement was \$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 new lease agreement in May 2024 for facilities used by the Big Sky Food Bank that expires on April 2029. Rent under the new agreement is \$2,900 per month for the first year; \$3,200 per month for the second year; \$3,500 per month for the third year; \$3,750 per month for the fourth year; and \$4,000 per month for the fifth year.

HRDC entered into a month-to-month lease agreement in September 2015 for lot rental for the Youth Transitional Home. Rent increased to \$450 in April 2023 and increased to \$475 in March 2024.

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 through June 2025.

HRDC entered into a lease agreement in April 2022 for office space that expired in March 2023 for \$1,350 per month. The lease was renewed through September 2023 for \$1,404 per month. The lease terminated in September 2023.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

**NOTE 9. LEASES (Continued)**

HRDC entered into a lease agreement in October 2021 for office space that expired in September 2022 for \$825 per month. The lease was renewed through September 2023 for \$858 per month. The lease terminated in September 2023.

HRDC entered into a lease agreement in December 2019 for a warming center in Bozeman that expires in December 2024 for \$10,300 per month. Monthly payments increased to \$11,255 on January 1, 2024, with 3% increases each year.

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 one-year lease agreement for office space in White Sulphur Springs in August 2022. The lease can be renewed on a year-to-year basis. The lease has been renewed through July 2025 with monthly payments of \$600.

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

Rent expense totaled \$210,401 and \$223,401 for 2024 and 2023, respectively. Future minimum payments due under lease agreements is as follows:

<u>Years Ending June 30,</u>	
2025	\$ 176,824
2026	97,330
2027	100,914
2028	93,526
2029	<u>55,444</u>
	\$ <u><u>524,038</u></u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

**NOTE 10. EMPLOYEE BENEFITS**

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

***401(k) Retirement Plan***

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

Employer matching contributions vest as follows:

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

For the years ended June 30, 2024 and 2023, HRDC contributed \$318,157 and \$242,039 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 \$638,257 and \$614,038 for insurance premiums for the years ended June 30, 2024 and 2023, 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.



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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

**NOTE 11. LAND TRUSTS**

As of June 30, 2024, 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.

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, 2024 and 2023. 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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

**NOTE 13. PLANNED GIFT LIABILITIES**

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

The following table summarizes the change to planned gift liabilities for the year ended June 30, 2024 and 2023:

Estimated present value of liability at July 1, 2022	\$ 21,062
Increase in estimated present value of liability from contributions	<u>-</u>
Estimated present value of liability at June 30, 2023	21,062
Increase in estimated present value of liability from contributions	<u>-</u>
Estimated present value of liability at June 30, 2024	<u>\$ 21,062</u>

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

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

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

For the year ended June 30, 2024, HRDC met the requirements to issue qualified charitable gift annuities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

**NOTE 14. ENDOWMENT NET ASSETS**

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

*Interpretation of Relevant Law*

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

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

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

*Funds with Deficiencies*

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

These deficiencies result from unfavorable market fluctuations that occur during the investment of contributions and continued appropriation, if any, for certain programs that are deemed prudent by the Board of Directors. There were no such deficiencies as of June 30, 2024 and 2023.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

**NOTE 14. ENDOWMENT NET ASSETS (Continued)**

*Return Objectives and Risk Parameters*

HRDC has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period, as well as board- designated funds. Under this policy, endowment assets are invested in a manner that is intended to produce results that exceed the market rate while assuming a prudent level of investment risk. The HRDC targets an asset allocation of fixed-income and cash equivalents until the balances in the endowment are great enough for investment.

*Spending Policy and How the Investment Objectives Relate to Spending Policy*

HRDC's spending policy allows an annual distribution not to exceed the average net earnings, growth, and income. Any portion of the annual distribution funds not distributed in any given year will be retained in the endowment fund for expenditure in future years. The HRDC expects its spending policy to allow the endowment to grow and to maintain the purchasing power of the endowment assets. No funds were distributed in 2024 and 2023.

Endowment net asset composition by type of fund as of June 30, 2024 and 2023, are as follows:

	With Donor Restrictions
<u>2024</u>	
Donor-restricted endowment funds	\$ <u><u>224,128</u></u>
<u>2023</u>	
Donor-restricted endowment funds	\$ <u><u>224,128</u></u>

Changes in HRDC General Endowment net assets for the years ended June 30, 2024 and 2023, are as follows:

	With Donor Restrictions
Endowment net assets, July 1, 2022	\$ 219,128
Contributions and transfers	<u>5,000</u>
Endowment net assets, June 30, 2023	224,128
Contributions and transfers	<u>-</u>
Endowment net assets, June 30, 2024	\$ <u><u>224,128</u></u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended June 30, 2024 and 2023

**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.

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 \$10,383,075 and net book value of \$7,014,847 as of June 30, 2024, 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, 2024, revenues generated from rental operations were \$1,004,189 or 3.5% of the HRDC's total revenues. Corresponding debt service payments made to third parties were \$176,120 for the year with total outstanding debts related to the apartment units of \$5,539,085, 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, 2024 and 2023, HRDC received approximately 40% and 23%, 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, 2024 and 2023, HRDC received approximately 14% and 38% 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, 2024 and 2023

**NOTE 17. SUBSEQUENT EVENTS**

In late August, 2024, The Home Corporation, a subsidiary of HRDC, received a grant to facilitate the acquisition of the Wheat Suites transitional housing hotel. The grant will also allow for some rehabilitation of the property and for additional customer support services with programming there. This allowed HRDC to fully pay off the mortgage of just over \$1.3 Million.

In December 2024, HRDC exercised the option to purchase a the facility currently being utilized by HRDC as the Warming Center at 2015 Wheat Drive in Bozeman, MT in the amount of \$1.4 Million. The closing date of this purchase is December 17<sup>th</sup>, 2024.

In August 2024, HRDC purchased a property on Dry Creek Road in Belgrade, MT for \$3.55 Million for the purposes of holding the property temporarily while a consortium of the Gallatin Valley Behavioral Health Coalition, HRDC, and the Yellowstone Boys and Girls Ranch (YBGR) raise acquisition and rehabilitation funds. Gallatin County Contributed \$1.5 Million and the remainder is planned to be raised in a 12 month period from August 30, 2024 to pay the remaining debt and operations costs in order to transfer the facility and assets to the YBGR for future operations of the facility.

Construction activity has continued on future facilities of HRDC currently under development. Construction is ongoing on the South Building of our Community Commons Site on Griffin Drive, 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. Expected completion is late spring/early summer 2025.

Management has evaluated events through January 23, 2025, 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, 2024 and 2023

**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, 2024

	HRDC	HRDC Properties	Disregarded Entities (LLCs)	Home Corporation	Sherwood Inn Apts., Inc.	Summit Apts., Inc	HRDC Griffin Place Holding Co.	Eliminations	Consolidated Total
<b>ASSETS</b>									
Cash and cash equivalents	\$ 5,513,523	\$ 505,049	\$ 183,420	\$ 85,249	\$ 14,396	\$ 13,278	\$ -	\$ -	\$ 6,314,915
Escrow and building reserve	25,000	72,923	-	246,024	-	102,269	-	-	446,216
Cash restricted for capital campaign	-	-	-	-	-	-	11,336,645	-	11,336,645
Receivables (Note 3)									
Grantors	1,738,420	-	-	-	-	-	-	-	1,738,420
Accounts receivable, net	1,306,574	149,092	124,552	27,998	(500)	(657)	-	(898,333)	708,726
Pledges receivable, net	2,133,195	-	-	-	-	-	-	-	2,133,195
Prepaid expenses	261,924	-	-	2,012	-	-	-	-	263,936
Investments (Note 4)	3,659,702	-	-	-	-	-	-	-	3,659,702
Inventory - supplies and food bank	427,812	-	-	-	-	-	-	-	427,812
Inventory - condominiums, federal constraints	323,076	-	-	-	-	-	-	-	323,076
Inventory - condominiums	-	-	-	-	-	-	-	-	-
Deferred loans receivable, net (Note 3)	27,420,612	-	1,332,000	-	-	-	-	(23,544,085)	5,208,527
Investment in partnership	5,941,531	-	-	-	-	-	-	(5,941,531)	-
Construction in progress (Note 6)	499,883	-	-	-	-	-	5,061,267	-	5,561,150
Right-of-use assets	545,717	-	-	-	-	-	-	-	545,717
Property and equipment, net, federal constraints (Note 6)	7,265,994	-	-	323,107	43,553	212,770	-	-	7,845,424
Property and equipment, net (Note 6)	2,563,883	9,150,601	-	-	-	674	17,673,075	-	29,388,233
Total assets	<u>\$ 59,626,846</u>	<u>\$ 9,877,665</u>	<u>\$ 1,639,972</u>	<u>\$ 684,390</u>	<u>\$ 57,449</u>	<u>\$ 328,334</u>	<u>\$ 34,070,987</u>	<u>\$ (30,383,949)</u>	<u>\$ 75,901,694</u>
<b>LIABILITIES</b>									
Accounts payable	\$ 791,037	\$ 733,803	\$ -	\$ 12,994	\$ 951	\$ 4,166	\$ 789,300	\$ (898,333)	\$ 1,433,918
Accrued liabilities	1,176,071	13,189	-	1,412	-	-	-	-	1,190,672
Accrued vacation, sick, and paid time off	329,706	-	-	-	-	-	-	-	329,706
Accrued interest payable	-	-	-	-	-	-	-	-	-
Deposits payable	44,550	50,861	-	20,279	1,040	1,500	132,231	-	250,461
Unearned revenue (Note 7)	33,968	-	-	-	-	-	-	-	33,968
Lease liability	545,717	-	-	-	-	-	-	-	545,717
Notes payable (Note 8)	4,830,307	5,423,175	-	467,679	-	438,100	31,273,446	(23,544,085)	18,888,622
Total liabilities	<u>7,751,356</u>	<u>6,221,028</u>	<u>-</u>	<u>502,364</u>	<u>1,991</u>	<u>443,766</u>	<u>32,194,977</u>	<u>(24,442,418)</u>	<u>22,673,064</u>
<b>NET ASSETS</b>									
Without donor restrictions									
Undesignated	39,952,481	3,656,637	1,639,972	(193,031)	11,905	(328,202)	1,876,010	(5,941,531)	40,674,241
Federal constrained inventory and capital assets	7,589,070	-	-	375,057	43,553	212,770	-	-	8,220,450
Total net assets without donor restrictions	<u>47,541,551</u>	<u>3,656,637</u>	<u>1,639,972</u>	<u>182,026</u>	<u>55,458</u>	<u>(115,432)</u>	<u>1,876,010</u>	<u>(5,941,531)</u>	<u>48,894,691</u>
With donor restrictions									
Purpose or time restrictions	4,109,811	-	-	-	-	-	-	-	4,109,811
Perpetual in nature (endowment)	224,128	-	-	-	-	-	-	-	224,128
Total net assets with donor restrictions	<u>4,333,939</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,333,939</u>
Total net assets	<u>51,875,490</u>	<u>3,656,637</u>	<u>1,639,972</u>	<u>182,026</u>	<u>55,458</u>	<u>(115,432)</u>	<u>1,876,010</u>	<u>(5,941,531)</u>	<u>53,228,630</u>
Total liabilities and net assets	<u>\$ 59,626,846</u>	<u>\$ 9,877,665</u>	<u>\$ 1,639,972</u>	<u>\$ 684,390</u>	<u>\$ 57,449</u>	<u>\$ 328,334</u>	<u>\$ 34,070,987</u>	<u>\$ (30,383,949)</u>	<u>\$ 75,901,694</u>

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
<b>ASSETS</b>									
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
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-to-use assets	586,970	-	-	-	-	-	-	-	586,970
Property and equipment, net, federal constraints (Note 6)	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>
<b>LIABILITIES</b>									
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	-	-	-	-	-	-	-	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>
<b>NET ASSETS</b>									
<b>Without donor restrictions</b>									
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	<u>31,372,475</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>31,451,861</u>
<b>With donor restrictions</b>									
Purpose or time restrictions	15,394,132	-	-	-	-	-	-	-	15,394,132
Perpetual in nature (endowment)	224,128	-	-	-	-	-	-	-	224,128
Total net assets with donor restrictions	<u>15,618,260</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,618,260</u>
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 ACTIVITIES  
For the Year Ended June 30, 2024

	HRDC	HRDC Properties	Disregarded Entities (LLCs)	Home Corporation	Sherwood Inn Apts., Inc.	Summit Apts., Inc	HRDC Griffin Place Holding Co.	Eliminations	Consolidated Total
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>									
<b>REVENUES</b>									
Contract Revenue	\$ 926,090	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (63,180)	\$ 862,910
Developers' fee	25,000	-	597,408	-	-	-	-	-	622,408
Revenue from partnership	-	-	-	-	-	-	-	-	-
Rental income	112,756	586,904	-	232,389	10,357	61,783	-	-	1,004,189
City/County/Local Government support	1,306,683	-	-	-	-	-	-	-	1,306,683
Contributions of cash and other financial assets:									
Grants:									
Federal	11,553,673	-	-	-	-	-	-	-	11,553,673
State	841,978	-	-	-	-	-	-	-	841,978
Private	419,347	-	-	-	-	-	-	-	419,347
Pledged contributions	136,422	-	-	-	-	-	-	-	136,422
Contributions & fundraising	4,000,130	-	-	-	-	-	-	-	4,000,130
Nonfinancial asset contributions (food and services)	3,287,804	-	-	-	-	-	-	-	3,287,804
Net investment (loss) income	662,950	152	8,320	1,149	7	377	-	-	672,955
Gain from subsidiaries	285,525	-	-	-	-	-	-	(285,525)	-
Gain on sale of property	3,418,072	-	-	-	-	-	-	-	3,418,072
Forgiveness of debt	-	-	-	-	-	-	-	-	-
Other	307,893	5,693	-	4,008	-	-	-	-	317,594
Net assets released from program restrictions	11,419,023	-	-	-	-	-	-	-	11,419,023
<b>Total revenues</b>	<b>38,703,346</b>	<b>592,749</b>	<b>605,728</b>	<b>237,546</b>	<b>10,364</b>	<b>62,160</b>	<b>-</b>	<b>(348,705)</b>	<b>39,863,188</b>
<b>EXPENSES</b>									
Program services:									
Energy	914,143	-	-	-	-	-	-	-	914,143
Food and nutrition	5,797,176	-	-	-	-	-	-	-	5,797,176
Senior citizens	542,002	-	-	-	-	-	-	-	542,002
Community development	1,943,634	-	-	-	-	-	-	-	1,943,634
Economic and youth development	428,867	-	-	-	-	-	-	-	428,867
Housing	2,243,911	1,031,460	2,045	197,579	9,790	55,488	1,082,740	(63,180)	4,559,833
Early childhood education	2,093,729	-	-	-	-	-	-	-	2,093,729
Transportation	3,602,751	-	-	-	-	-	-	-	3,602,751
<b>Total program services</b>	<b>17,566,213</b>	<b>1,031,460</b>	<b>2,045</b>	<b>197,579</b>	<b>9,790</b>	<b>55,488</b>	<b>1,082,740</b>	<b>(63,180)</b>	<b>19,882,135</b>
Supporting services									
Administration	2,023,422	-	-	-	-	-	-	-	2,023,422
Fundraising	519,089	-	-	-	-	-	-	-	519,089
<b>Total supporting services</b>	<b>2,542,511</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,542,511</b>
<b>Total expenses</b>	<b>20,108,724</b>	<b>1,031,460</b>	<b>2,045</b>	<b>197,579</b>	<b>9,790</b>	<b>55,488</b>	<b>1,082,740</b>	<b>(63,180)</b>	<b>22,424,646</b>
Change in net assets without donor restrictions	18,594,622	(438,711)	603,683	39,967	574	6,672	(1,082,740)	(285,525)	17,438,542
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>									
Purpose or time restricted contributions and income	134,702	-	-	-	-	-	4,288	-	138,990
Perpetually restricted contributions	-	-	-	-	-	-	-	-	-
Net assets released from program restrictions	(11,419,023)	-	-	-	-	-	-	-	(11,419,023)
Change in net assets with donor restrictions	(11,284,321)	-	-	-	-	-	4,288	-	(11,280,033)
<b>Net transfers in (out)</b>	<b>(2,425,546)</b>	<b>1,704,146</b>	<b>(595,364)</b>	<b>3,449</b>	<b>-</b>	<b>-</b>	<b>1,313,315</b>	<b>-</b>	<b>-</b>
<b>Change in total net assets</b>	<b>4,884,755</b>	<b>1,265,435</b>	<b>8,319</b>	<b>43,416</b>	<b>574</b>	<b>6,672</b>	<b>234,863</b>	<b>(285,525)</b>	<b>6,158,509</b>
Net assets, beginning 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
Capital contribution	-	-	-	-	-	-	608,027	(608,027)	-
Capital distribution	-	-	-	-	-	-	-	-	-
Investment in partnership interest	-	-	-	-	-	-	-	-	-
<b>Net assets, end of year</b>	<b>\$ 51,875,490</b>	<b>\$ 3,656,637</b>	<b>\$ 1,639,972</b>	<b>\$ 182,026</b>	<b>\$ 55,458</b>	<b>\$ (115,432)</b>	<b>\$ 1,876,010</b>	<b>\$ (5,941,531)</b>	<b>\$ 53,228,630</b>

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

CONSOLIDATING SCHEDULE OF ACTIVITIES  
For the Year Ended 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
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>									
<b>REVENUES</b>									
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
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
Other	115,243	6,550	-	-	-	-	-	-	121,793
Net assets released from program restrictions	152,810	-	-	-	-	-	-	-	152,810
Total revenues	<u>22,194,049</u>	<u>1,323,631</u>	<u>1,474,022</u>	<u>231,719</u>	<u>11,263</u>	<u>61,784</u>	<u>375,685</u>	<u>(575,581)</u>	<u>25,096,572</u>
<b>EXPENSES</b>									
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	<u>17,337,948</u>	<u>1,041,522</u>	<u>1,047</u>	<u>205,311</u>	<u>8,377</u>	<u>114,736</u>	<u>64,995</u>	<u>(47,011)</u>	<u>18,726,925</u>
Supporting services									
Administration	2,143,487	-	-	-	-	-	-	-	2,143,487
Fundraising	645,254	-	-	-	-	-	-	-	645,254
Total supporting services	<u>2,788,741</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,788,741</u>
Total expenses	<u>20,126,689</u>	<u>1,041,522</u>	<u>1,047</u>	<u>205,311</u>	<u>8,377</u>	<u>114,736</u>	<u>64,995</u>	<u>(47,011)</u>	<u>21,515,666</u>
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
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>									
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	<u>6,688,833</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,688,833</u>
Net transfers in (out)	<u>301,518</u>	<u>(5,112)</u>	<u>(465,444)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>169,038</u>	<u>-</u>	<u>-</u>
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	<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>

Human Resources Development Council of District IX, Inc.  
Bozeman, Montana  
SCHEDULE OF FINANCIAL POSITION FOR HRDC PROPERTIES  
June 30, 2024

	HRDC Colo. Apt.	HRDC West Edge	Cottages at Menicucci Square	Livingston Cottages	Housing First Village	Wheat Hotel	Belgrade Trailer Court	HRDC Properties Total
<b>ASSETS</b>								
Cash and cash equivalents	\$ 50,549	\$ 51,273	\$ 36,736	\$ 20,608	\$ 157,271	\$ 180,513	\$ 8,099	\$ 505,049
Escrow and building reserve	45,900	-	-	27,023	-	-	-	72,923
Receivables								
Accounts receivable, net	4,246	1,556	43,654	11,234	33,129	25,313	29,960	149,092
Prepaid expenses	-	-	-	-	-	-	-	-
Deferred notes receivable	-	-	-	-	-	-	-	-
Property and equipment, net (Note 6)	17,696	-	1,405,443	999,947	3,595,432	1,723,333	1,408,750	9,150,601
Total assets	<u>\$ 118,391</u>	<u>\$ 52,829</u>	<u>\$ 1,485,833</u>	<u>\$ 1,058,812</u>	<u>\$ 3,785,832</u>	<u>\$ 1,929,159</u>	<u>\$ 1,446,809</u>	<u>\$ 9,877,665</u>
<b>LIABILITIES</b>								
Accounts payable	\$ 1,128	\$ 474	\$ 180,258	\$ 120,353	\$ 201,662	\$ 224,538	\$ 5,390	\$ 733,803
Accrued liabilities	-	-	-	5,770	-	-	7,419	13,189
Accrued interest payable	-	-	-	-	-	-	-	-
Deposits payable	4,707	2,610	19,459	10,036	8,179	1,220	4,650	50,861
Unearned revenue (Note 7)	-	-	-	-	-	-	-	-
Notes payable (Note 8)	-	-	1,596,577	1,203,434	5,000	1,162,164	1,456,000	5,423,175
Total liabilities	<u>5,835</u>	<u>3,084</u>	<u>1,796,294</u>	<u>1,339,593</u>	<u>214,841</u>	<u>1,387,922</u>	<u>1,473,459</u>	<u>6,221,028</u>
<b>NET ASSETS</b>								
Without donor restrictions								
Undesignated	112,556	49,745	(310,461)	(280,781)	3,570,991	541,237	(26,650)	3,656,637
Total net assets without donor restrictions	<u>112,556</u>	<u>49,745</u>	<u>(310,461)</u>	<u>(280,781)</u>	<u>3,570,991</u>	<u>541,237</u>	<u>(26,650)</u>	<u>3,656,637</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>112,556</u>	<u>49,745</u>	<u>(310,461)</u>	<u>(280,781)</u>	<u>3,570,991</u>	<u>541,237</u>	<u>(26,650)</u>	<u>3,656,637</u>
Total liabilities and net assets	<u>\$ 118,391</u>	<u>\$ 52,829</u>	<u>\$ 1,485,833</u>	<u>\$ 1,058,812</u>	<u>\$ 3,785,832</u>	<u>\$ 1,929,159</u>	<u>\$ 1,446,809</u>	<u>\$ 9,877,665</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
<b>ASSETS</b>							
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>
<b>LIABILITIES</b>							
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)	-	-	-	-	-	-	-
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>
<b>NET ASSETS</b>							
<b>Without donor restrictions</b>							
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>
<b>With donor restrictions</b>							
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>

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

SCHEDULE OF ACTIVITIES FOR HRDC PROPERTIES  
For the Year Ended June 30, 2024

	HRDC Colo. Apts.	HRDC West Edge	Cottages at Menicucci Square	Livingston Cottages	Housing First Village	Wheat Hotel	Belgrade Trailer Court	HRDC Properties Total
NET ASSETS WITHOUT DONOR RESTRICTIONS								
REVENUES								
Rental income	\$ 62,393	\$ 33,780	\$ 170,039	\$ 101,356	\$ 78,567	\$ 103,954	\$ 36,815	\$ 586,904
Federal grants	-	-	-	-	-	-	-	-
Net investment income	31	-	86	35	-	-	-	152
Loss on sale of property	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	5,693	5,693
Total revenues	<u>62,424</u>	<u>33,780</u>	<u>170,125</u>	<u>101,391</u>	<u>78,567</u>	<u>103,954</u>	<u>42,508</u>	<u>592,749</u>
EXPENSES								
Program services:								
Housing	39,216	14,591	269,672	181,430	276,529	180,864	69,158	1,031,460
Total program services	<u>39,216</u>	<u>14,591</u>	<u>269,672</u>	<u>181,430</u>	<u>276,529</u>	<u>180,864</u>	<u>69,158</u>	<u>1,031,460</u>
Total expenses	<u>39,216</u>	<u>14,591</u>	<u>269,672</u>	<u>181,430</u>	<u>276,529</u>	<u>180,864</u>	<u>69,158</u>	<u>1,031,460</u>
Change in net assets without donor restrictions	23,208	19,189	(99,547)	(80,039)	(197,962)	(76,910)	(26,650)	(438,711)
Net transfers in (out)	-	-	-	-	1,704,146	-	-	1,704,146
Change in total net assets	23,208	19,189	(99,547)	(80,039)	1,506,184	(76,910)	(26,650)	1,265,435
Net assets, beginning of year	89,348	30,556	(210,914)	(200,742)	2,064,807	618,147	-	2,391,202
Net assets, end of year	<u>\$ 112,556</u>	<u>\$ 49,745</u>	<u>\$ (310,461)</u>	<u>\$ (280,781)</u>	<u>\$ 3,570,991</u>	<u>\$ 541,237</u>	<u>\$ (26,650)</u>	<u>\$ 3,683,287</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
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>							
<b>REVENUES</b>							
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>
<b>EXPENSES</b>							
<b>Program services:</b>							
Housing	41,140	11,826	232,187	170,839	227,964	357,566	1,041,522
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
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	69,265	58,602	(152,920)	(145,103)	2,124,263	160,098	2,114,205
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 FINANCIAL POSITION FOR HRDC DISREGARDED ENTITIES (LLC)  
June 30, 2024

	BSV Rural Partners LLC	Bluebunch Flats LLC	AP LLC	Miles 2017 LLC	Darlington 2020 LLC	Timber Ridge LLC	4 Property LLC	Lumberyard LLC	Total
<b>ASSETS</b>									
Cash and cash equivalents	\$ 13,714	\$ -	\$ -	\$ -	\$ -	\$ (180)	\$ 169,886	\$ -	\$ 183,420
Receivables									
Interest	57,231	-	-	-	-	-	-	-	57,231
Accounts receivable, net	-	-	-	-	-	-	67,321	-	67,321
Deferred loans receivable, net	832,000	-	500,000	-	-	-	-	-	1,332,000
Investment in partnership	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 902,945</u>	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (180)</u>	<u>\$ 237,207</u>	<u>\$ -</u>	<u>\$ 1,639,972</u>
<b>LIABILITIES</b>									
Accounts payable	<u>\$ -</u>	<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>	<u>-</u>
<b>NET ASSETS</b>									
Without donor restrictions									
Undesignated	<u>902,945</u>	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>(180)</u>	<u>237,207</u>	<u>-</u>	<u>1,639,972</u>
Total net assets without donor restrictions	<u>902,945</u>	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>(180)</u>	<u>237,207</u>	<u>-</u>	<u>1,639,972</u>
Total net assets	<u>902,945</u>	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>(180)</u>	<u>237,207</u>	<u>-</u>	<u>1,639,972</u>
Total liabilities and net assets	<u>\$ 902,945</u>	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (180)</u>	<u>\$ 237,207</u>	<u>\$ -</u>	<u>\$ 1,639,972</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	Darlinton 2020 LLC	Timber Ridge LLC	4 Property LLC	Total
<b>ASSETS</b>								
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>
<b>LIABILITIES</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET ASSETS</b>								
Without donor restrictions								
Undesignated	894,625	-	500,000	1	-	(180)	237,207	1,631,653
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 ACTIVITIES FOR HRDC DISREGARDED ENTITIES (LLC)  
For the Year Ended June 30, 2024

	BSV Rural Partners LLC	Bluebunch Flats LLC	AP LLC	Miles 2017 LLC	Darlington 2020 LLC	Timber Ridge LLC	4 Property LLC	Lumberyard LLC	Total
NET ASSETS WITHOUT DONOR RESTRICTIONS									
REVENUES									
Contract revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Developer's fee	-	10,711	243,668	-	-	-	343,029	-	597,408
Revenue from partnership	-	-	-	-	-	-	-	-	-
Federal/City/County/Local Government support	-	-	-	-	-	-	-	-	-
Net investment income	8,320	-	-	-	-	-	-	-	8,320
Other	-	-	-	-	-	-	-	-	-
Total revenues	<u>8,320</u>	<u>10,711</u>	<u>243,668</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>343,029</u>	<u>-</u>	<u>605,728</u>
EXPENSES									
Program services:									
Housing	-	-	-	1	-	-	-	2,044	2,045
Total program services	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,044</u>	<u>2,045</u>
Total expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,044</u>	<u>2,045</u>
Change in net assets without donor restrictions	<u>8,320</u>	<u>10,711</u>	<u>243,668</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>343,029</u>	<u>(2,044)</u>	<u>603,683</u>
Net transfers in (out)	<u>-</u>	<u>(10,711)</u>	<u>(243,668)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(343,029)</u>	<u>2,044</u>	<u>(595,364)</u>
Change in total net assets	8,320	-	-	(1)	-	-	-	-	8,319
Net assets, beginning of year	894,625	-	500,000	1	-	(180)	237,207	-	1,631,653
Investment in partnership interest	-	-	-	-	-	-	-	-	-
Net assets, end of year	<u>\$ 902,945</u>	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (180)</u>	<u>\$ 237,207</u>	<u>\$ -</u>	<u>\$ 1,639,972</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
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>
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

THE HOME CORPORATION  
SCHEDULES OF FINANCIAL POSITION (UNAUDITED)  
June 30, 2024 and 2023

	2024	2023
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents (net of reserved cash) \$	314,545	\$ 266,819
Accounts receivable	27,998	10,321
Prepaid expenses	2,012	2,013
Total current assets	344,555	279,153
 <b>PROPERTY AND EQUIPMENT</b>		
Land	193,094	193,094
Buildings and improvements	1,558,503	1,558,503
Accumulated depreciation	(1,428,490)	(1,376,540)
Total property and equipment	323,107	375,057
 <b>OTHER ASSETS</b>		
Cash reserved for tenant deposits	16,728	16,379
Total other assets	16,728	16,379
Total assets	\$ 684,390	\$ 670,589
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Operating accounts payable \$	12,994	\$ 20,862
Accrued liabilities	1,412	526
Rent deposits	20,279	19,184
Current portion of long-term debt	18,201	18,201
Total current liabilities	52,886	58,773
 <b>LONG-TERM LIABILITIES</b>		
Long-term debt, net of current portion	449,478	473,206
Total liabilities	502,364	531,979
 <b>NET ASSETS</b>		
Without donor restrictions		
Undesignated	182,026	138,610
TOTAL LIABILITIES AND NET ASSETS	\$ 684,390	\$ 670,589

See Independent Auditors' Report

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

THE HOME CORPORATION  
SCHEDULES OF ACTIVITIES (UNAUDITED)  
June 30, 2024 and 2023

	2024	2023
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
Rental income	\$ 236,397	\$ 231,509
Interest income	1,149	210
Total revenues	237,546	231,719
<b>EXPENSES</b>		
<b>Administration</b>		
Advertising and leasing	110	166
Bank and misc fees	11	233
Bookkeeping fees	4,847	3,065
Legal and accounting	550	1,200
Management fees	19,524	20,121
Office supplies	1,767	1,145
Contract on-site manager	9,824	12,562
Depreciation	51,950	51,950
Insurance	17,011	14,020
Interest	9,573	20,533
Maintenance and supplies	35,556	36,363
Property taxes	2,834	2,694
Repairs	1,347	603
Snow plowing and lawn care	16,264	17,459
Training	330	68
Travel and transportation	382	-
Utilities, phone, garbage	22,250	23,129
Total exepsnes	194,130	205,311
Change in net assets without donor restrictions	43,416	26,408
Net assets without donor restrictions, beginning of year	138,610	112,202
Net assets without donor restrictions, end of year	\$ 182,026	\$ 138,610

See Independent Auditors' Report

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

THE HOME CORPORATION  
SCHEDULES OF CASH FLOWS (UNAUDITED)

June 30, 2024 and 2023

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received From:		
Tenants	\$ 219,815	\$ 228,089
Interest	1,149	210
Cash Paid For/To:		
Management and bookkeeping	(4,847)	(3,065)
Property operations	(134,741)	(120,625)
Interest	(9,573)	(20,533)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>71,803</b>	<b>84,076</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on long-term debt	(23,728)	(24,764)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>(23,728)</b>	<b>(24,764)</b>
Net change in cash and cash equivalents	48,075	59,312
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	283,198	223,886
End of year	<b>\$ 331,273</b>	<b>\$ 283,198</b>
Reconciliation to Consolidated Statements of Financial Position		
Cash and cash equivalents	\$ 314,545	\$ 266,819
Cash reserved for tenant deposits	16,728	16,379
	<b>\$ 331,273</b>	<b>\$ 283,198</b>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 43,416	\$ 26,408
Adjustments to reconcile change in net assets to net cash from operating activities:		
Items not affecting cash:		
Depreciation	51,950	51,950
Changes in operating assets and liabilities		
Accounts receivable	(17,677)	(5,877)
Accounts payable and accrued liabilities	(6,981)	9,138
Rent deposits	1,095	2,457
Total adjustments	28,387	57,668
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>\$ 71,803</b>	<b>\$ 84,076</b>

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, 2024 and 2023

	2024	2023
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 14,396	\$ 12,203
Accounts receivable	(500)	(500)
Total current assets	13,896	11,703
<b>PROPERTY AND EQUIPMENT</b>		
Land	25,850	25,850
Buildings and improvements	55,417	55,417
Accumulated depreciation	(37,714)	(35,867)
Total property and equipment	43,553	45,400
Total assets	\$ 57,449	\$ 57,103
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Operating accounts payable	\$ 951	\$ 975
Rent deposits	1,040	1,244
Total current liabilities	1,991	2,219
Total liabilities	1,991	2,219
<b>NET ASSETS</b>		
Without donor restrictions		
Undesignated	55,458	54,884
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 57,449</b>	<b>\$ 57,103</b>

See Independent Auditors' Report



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

SHERWOOD INN APARTMENTS, INC.  
SCHEDULES OF ACTIVITIES (UNAUDITED)  
June 30, 2024 and 2023

	2024	2023
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
Rental income	\$ 10,356	\$ 11,256
Interest income	7	6
Total revenues	10,363	11,262
<b>EXPENSES</b>		
<b>Administration</b>		
Bank and misc fees	25	24
Bookkeeping fees	544	183
Legal and accounting	1,300	-
Management fees	900	928
Office supplies	43	42
Contract on-site manager	18	79
Depreciation	1,847	1,847
Insurance	1,096	925
Maintenance and supplies	581	1
Repairs	-	315
Training	-	1
Utilities, phone, garbage	3,435	4,031
Total exepsnes	9,789	8,376
Change in net assets without donor restrictions	574	2,886
Net assets without donor restrictions, beginning of year	54,884	51,998
Net assets without donor restrictions, end of year	\$ 55,458	\$ 54,884

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, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received From:		
Tenants	\$ 10,152	\$ 11,905
Interest	7	6
Cash Paid For/To:		
Management and bookkeeping	(544)	(183)
Property operations	(7,422)	(6,410)
NET CASH FLOWS FROM OPERATING ACTIVITIES	2,193	5,318
Net change in cash and cash equivalents	2,193	5,318
CASH AND CASH EQUIVALENTS		
Beginning of year	12,203	6,885
End of year	\$ 14,396	\$ 12,203
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 574	\$ 2,886
Adjustments to reconcile change in net assets to net cash from operating activities:		
Items not affecting cash:		
Depreciation	1,847	1,847
Changes in operating assets and liabilities		
Accounts receivable	-	343
Prepaid expenses	1	-
Accounts payable	(25)	(64)
Rent deposits	(204)	306
Total adjustments	1,619	2,432
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ 2,193	\$ 5,318

See Independent Auditors' Report

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

UNRESTRICTED CORPORATE FUNDS  
SCHEDULES OF FINANCIAL POSITION (UNAUDITED)  
June 30, 2024 and 2023

	<u>FYE 6/30/24</u>	<u>Prior Year FYE 6/30/23</u>
<u>ASSETS</u>		
Cash - Operating Savings	\$ 256,843	\$ 255,378
Cash - Operating Checking	3,324,399	4,940,847
LESS: Cash Currently Committed to HRDC Projects	<u>(524,370)</u>	<u>(815,914)</u>
Unrestricted Corporate Cash Available	3,056,872	4,380,311
Investments in Marketable Securities	511,007	462,540
Accounts Receivable	8,153	13,612
Deposit Receivable	0	450
Prepaid Expense	10,314	10,314
Loans Receivable	2,726,168	2,726,168
Intercompany Loans Receivable	4,930,214	3,183,076
Investment in Subsidiaries	531,667	531,667
Buildings and Construction in Progress	208,001	624,256
Land	38,767	38,767
Accumulated Depreciation	<u>(106,820)</u>	<u>(319,093)</u>
TOTAL ASSETS	<u>\$ 11,914,343</u>	<u>\$ 11,652,068</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 52,405	\$ 17,952
Rental Deposits	4,275	3,175
Lease Liability	0	9,905
Loan Payable	0	231,878
Intercompany Loans Payable	<u>6,952</u>	<u>155,674</u>
TOTAL LIABILITIES	<u>\$ 63,631</u>	<u>\$ 418,584</u>
<u>NET ASSETS</u>		
Net Assets, Beginning of Fiscal Year	\$ 11,253,355	\$ 11,068,997
Increase/(Decrease) in Net Assets - Current Year	<u>597,356</u>	<u>164,487</u>
TOTAL NET ASSETS	<u>\$ 11,850,711</u>	<u>\$ 11,233,484</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 11,914,343</u>	<u>\$ 11,652,068</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, 2024 and 2023**

	<u>FYE 6/30/24</u>	<u>Prior Year FYE 6/30/23</u>
<u>REVENUE:</u>		
Donations-Unrestricted (HRDC Greatest Needs)	\$ 1,232,466	\$ 924,798
Donations-Restricted	11,200	1,450
Fund Raising Income-Unrestricted (HRDC Greatest Needs)	327,384	218,276
Rent Income	31,800	72,979
Gain on Asset Sales	1,235,582	0
Developer Fee Income	25,000	0
Private Grant Revenue	28,000	0
Loan Interest Income	704	962
Investment Interest Income	99,215	68,178
Realized and Unrealized Gain/(Loss) on Investments	<u>33,354</u>	<u>16,164</u>
TOTAL REVENUES	\$ <u>3,024,706</u>	\$ <u>1,342,805</u>
<u>EXPENSES:</u>		
Salaries & Fringe	\$ 596,609	\$ 628,941
Contract Services	33,182	97,412
Closing Costs-Real Property	45,858	0
Fund Raising Expense	18,480	21,578
Outreach/Advertising/Public Relations	34,745	21,045
Admin.Service Cost Allocations	197,074	179,741
Space	27,261	23,196
Utilities	3,832	9,196
Insurance	8,962	11,988
Interest Expense	9,421	12,425
Property Taxes	1,084	1,652
Property Management	1,800	2,867
Repairs and Maintenance	5,702	7,343
Janitorial Expense	2,156	4,123
Software	20,078	19,861
Equipment & Supplies	12,872	28,142
Travel/Training	33,093	10,762
Business Meals/Meetings	7,880	9,451
Recognition	10,648	18,759
Dues	18,414	15,215
Legal	1,980	653
Investment Management Fees	4,011	3,657
Bad Debt Expense	4,270	0
Depreciation Expense	5,519	26,886
Other	<u>2,787</u>	<u>10,642</u>
TOTAL EXPENSES	\$ <u>1,107,717</u>	\$ <u>1,165,535</u>
REVENUE OVER/(UNDER) EXPENSES	\$ 1,916,988	\$ 177,270
Transfers In	13,615,864	783,173
Transfers Out	(14,935,497)	(795,956)
NET ASSETS, Beginning of Fiscal Year	\$ <u>11,253,355</u>	\$ <u>11,068,997</u>
NET ASSETS, End of Fiscal Year	\$ <u>11,850,711</u>	\$ <u>11,233,484</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, 2024 and 2023

**WEATHERIZATION ASSISTANCE**

Grant Period: July 1, 2022 to September 30, 2023 - LIEAP

Grant Number: DPHHS 22-028-16007-0

	----LIEAP----	
	Budget	Actual
<b>REVENUE</b>		
Grant	\$ 464,808	198,374
Total Revenue	\$ 464,808	198,374
<b>EXPENSES</b>		
Administration	\$ 35,070	29,698
Insurance	\$ 3,423	3,422
Program Support	315,627	155,897
Readiness Program	78,907	5,047
Training	16,000	12,952
Co-Funding	15,781	1,977
Total Expenses	\$ 464,808	\$ 208,993
Revenue Over/Under Expenses	\$ -	(10,618)
Transfer In		10,618
Net Assets at July 1, 2022		\$ 0
Net Assets at September 30, 2023		\$ 0

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, 2024 and 2023

**WEATHERIZATION ASSISTANCE**

Grant Period: July 1, 2023 to June 30, 2024 - DOE

Grant Number: DPHHS 23-028-30027-0

	----DEPT OF ENERGY----	
	Budget	Actual
<b>REVENUE</b>		
Grant	\$ 447,264	172,597
Total Revenue	\$ 447,264	172,597
<b>EXPENSES</b>		
Administration	\$ 35,169	33,086
Program Operations	106,842	89,551
Liability Insurance	7,885	800
Financial Audit	1,665	725
Training & Technical Assistance	16,000	16,711
Health & Safety	18,697	14,037
Readiness Program	23,779	11,342
SERC Admin	27,227	1,271
SERC Prog Ops	210,000	5,832
Total Expenses	\$ 447,264	173,354
Revenue over/under expenses	\$ -	(758)
Transfer In		\$ 758
Net Assets at July 1, 2023		\$ 0
Net Assets at June 30, 2024		\$ 0

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, 2024 and 2023

**LIEAP ADMINISTRATION PROGRAM**

Grant Period: October 1, 2021 to September 30, 2023 - ADMIN

Grant Number: DPHHS 22-028-13007-0

	----LIEAP ADMIN----	
	Budget	Actual
REVENUE		
Grant	\$ 68,167	68,167
Total Revenue	\$ 68,167	68,167
EXPENSES	\$ 70,675	
Salaries and Fringe Benefits		64,320
Supplies		166
Communication		383
Space Costs		1,501
Training		207
Office Costs		1,590
Direct Services		
Total Expenses	\$ 70,675	68,167
Revenue Over/Under Expenses		\$ 0
Transfer In		-
Net Assets at October 1, 2021		\$ 0
Net Assets at September 30, 2023		\$ 0

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, 2024 and 2023

**LOW INCOME ENERGY ASSISTANCE PROGRAM**

Grant Period: November 10, 2022 to November 8, 2023 - Contingency Revolving Fund (CRF)

Grant Number: DPHHS 22-028-11007-0

	----LIEAP CRF----
	<u>Actual</u>
REVENUE	
Grant	\$ 69,796
Total Revenue	<u>\$ 69,796</u>
EXPENSES	
Direct Services	\$ 69,699
Total Expenses	<u>\$ 69,699</u>
Revenue Over/Under Expenses	\$ 96
Net Assets at November 10, 2022	<u>\$ (275)</u>
Net Assets at November 8, 2023	<u><u>\$ (178)</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, 2024 and 2023

**LIEAP CLIENT EDUCATION & OUTREACH PROGRAM**

Grant Period: October 1, 2021 to September 30, 2023 - CLIENT ED

Grant Number: DPHHS 22-028-13007-0

	----CLIENT ED----	
	Budget	Actual
REVENUE		
Grant	\$ 32,371	32,371
Total Revenue	\$ 32,371	32,371
EXPENSES	\$ 32,371	
Salaries & Fringe Benefits		\$ 30,552
Communications		296
Space Costs		1,523
Travel		
Office Costs		
Total Expenses	\$ 32,371	32,371
Revenue Over/Under Expenses		\$ 0
Net Assets at October 1, 2021		\$ 0
Net Assets at September 30, 2023		\$ 0

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, 2024 and 2023

**NORTHWESTERN ENERGY WEATHERIZATION PROGRAM**

Grant Period: January 1, 2023 to December 15, 2023

Grant Number: DPHHS 23-028-33007-0

	Budget	Actual
<b>REVENUE</b>		
Grant	\$ 575,478	223,236
Total Revenue	\$ 575,478	223,236
<b>EXPENSES</b>		
NWE Program Overhead	\$ 204,744	78,132
NWE Health and Safety	\$ 64,878	21,191
NWE Program Operations	260,256	115,483
Readiness Program	22,800	5,140
Co-Funding	22,800	3,362
Total Expenses	\$ 529,878	223,308
Revenue Over/Under Expenses	\$ 0	(71)
Transfer In		\$ 71
Net Assets at January 1, 2023		\$ 0
Net Assets at December 15, 2023		\$ (0)

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, 2024 and 2023

**ENERGY SHARE**

Grant Period: July 1, 2023 to June 30, 2024

Grant Number: FY 2023-24

	<u>Actual</u>
REVENUE	
Donations	\$ 900
General Energy Funds	33,971
USB Funds	53,384
Energy Deposits	6,160
TEAM: Deposits Minor Needs	18
TEAM: Temporary Energy Assist for Minor Needs	121
Total Revenues	<u>\$ 94,553</u>
EXPENSES	
Energy Assistance	\$ 19,662
Energy Assistance - USB	50,284
Energy Assistance - Deposits	4,130
Energy Assistance - TEAM Minor Needs	0
Energy Assistance - TEAM Deposits Minor Needs	113
Administration	38,934
Total Expenses	<u>\$ 113,123</u>
Revenue Over/Under Expenses	\$ (18,570)
Transfer In/Out	\$ 18,570
Net Assets at July 1, 2023	<u>\$ 0</u>
Net Assets at June 30, 2024	<u><u>\$ (0)</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, 2024 and 2023

**HUD EMERGENCY SHELTER GRANTS PROGRAM**

Grant Period: September 1, 2021 - July 31, 2023

Grant Number: 21-028-51007-0

	Budget	Actual
<b>REVENUE</b>		
Grant	\$ 69,463	108,776
Total Revenue	\$ 69,463	108,776
<b>EXPENSES</b>		
Prevention of Homelessness - Security Deposits	0	0
Prevention of Homelessness - Rental Assistance	0	0
Prevention of Homelessness - Rental Assistance Medium	0	0
Prevention of Homelessness - Rental Assistance Arrears	0	0
Prevention of Homelessness - Rental Assistance Medium Term Arrears	0	0
Prevention of Homelessness - Housing Search & Placement	0	0
Homeless Services - Security Deposits	7,714	4,632
Homeless Services - Rental Assistance	0	4,188
Homeless Services - Rental Assistance Medium Term	0	0
Homeless Services - Rental Assistance Arrears	0	0
Homeless Services - Housing Search & Placement	15,501	45,125
Administration	0	10,602
Total Expenses	\$ 23,215	64,547
Revenue Over/Under Expenses	\$ 46,248	44,229
Transfer Out		\$ (44,229)
Net Assets at September 1, 2021		\$ 0
Net Assets at July 31, 2023		\$ (0)

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, 2024 and 2023

**HUD EMERGENCY SHELTER GRANTS PROGRAM**

Grant Period: November 1, 2022 - March 31, 2024

Grant Number: 22-028-51007-0

	Budget	Actual
<b>REVENUE</b>		
Grant	\$ 77,890	96,413
Total Revenue	\$ 77,890	96,413
<b>EXPENSES</b>		
Prevention of Homelessness - Security Deposits	0	0
Prevention of Homelessness - Rental Assistance	0	899
Prevention of Homelessness - Rental Assistance Medium	0	0
Prevention of Homelessness - Rental Assistance Arrears	0	11,896
Prevention of Homelessness - Rental Assistance Medium Term Arrears	0	1,634
Prevention of Homelessness - Housing Search & Placement	0	0
Homeless Services - Security Deposits	0	1,300
Homeless Services - Rental Assistance	0	495
Homeless Services - Rental Assistance Medium Term	0	10,027
Homeless Services - Rental Assistance Arrears	0	0
Homeless Services - Housing Search & Placement	49,340	39,450
Administration	8,215	11,836
Total Expenses	\$ 57,555	77,537
Revenue Over/Under Expenses	\$ 0	18,876
Transfer Out		\$ (26,707)
Transfer In		\$ 7,831
Net Assets at November 1, 2022		\$ 0
Net Assets at March 31, 2024		\$ (0)

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, 2024 and 2023

**SECTION 8 HOUSING PROGRAM**

Grant Period: July 1, 2023 to June 30, 2024

Grant Number: MT DOC 24-745-007

	<u>Actual</u>
REVENUE	
MDOC Contract Income	\$ 241,598
Other Income	0
Total Revenue	<u>\$ 241,598</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 197,782
Travel & Training	3,130
Space	9,054
Office Costs	1,569
Insurance	1,948
Communications	1,129
Housing Assistance Payments	8,281
Other	2,886
Total Expenses	<u>\$ 225,778</u>
Revenue Over/Under Expenses	\$ 15,820
Net Assets at July 1, 2023	<u>\$ 74,684</u>
Net Assets at June 30, 2024	<u><u>\$ 90,504</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, 2024 and 2023

**HOME TO STAY - EMERGENCY SERVICES**

Report Period: July 1, 2023 to June 30, 2024

Grant Number: NeighborWorks MT (NWMT)

	<u>Actual</u>
REVENUE	
Private Grant Revenue	\$ 20,000
Donations	0
MHN / NWMT	10,000
Total Revenues	<u>\$ 30,000</u>
EXPENSES	
Prevention of Homelessness	\$ 0
Salaries & Fringe Benefits	22,744
Supportive Services	1,084
Office Expenses	1,858
Other Expenses	0
Total Expenses	<u>\$ 25,686</u>
Revenue Over/Under Expenses	\$ 4,314
Transfer In	\$ 10,000
Net Assets at July 1, 2023	<u>\$ 49</u>
Net Assets at June 30, 2024	<u><u>\$ 14,363</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, 2024 and 2023

**DROP IN CENTER**

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

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

	<u>Actual</u>
REVENUE	
Donations	\$ 357
Federal Grant	156,250
Total Revenues	<u>\$ 156,607</u>
EXPENSES	
Admin Salaries	\$ 22,061
Program Salaries	56,465
Admin Benefits	5,825
Program Benefits	14,835
Space	1,684
Communications	1,170
Supplies	11,030
Training	845
Facility Rent	42,019
Utilities	22,093
Maintenance	10,906
Janitorial and Cleaning	2,887
Equipment/Computers	881
Indirect Costs	15,604
Total Expenses	<u>\$ 208,305</u>
Revenue Over/Under Expenses	\$ (51,698)
Transfer In	\$ 31,208
Net Assets at July 1, 2022	<u>\$ 0</u>
Net Assets at September 30, 2023	<u><u>\$ (20,490)</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, 2024 and 2023

**RYAN WHITE PART B HIV CARE**

Grant Period: April 1, 2023 to March 31, 2024

Grant Number: 23-07-4-51-310-0

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Grant	\$ 17,663	23,550
Total Revenues	<u>\$ 17,663</u>	<u>23,550</u>
EXPENSES		
Rental Assistance		\$ 18,264
Security Deposit Assistance		0
Case Management		5,145
Administration		149
Total Expenses		<u>\$ 23,558</u>
Revenue Over/Under Expenses		\$ (8)
Transfer In		\$ 8
Net Assets at April 1, 2023		<u>\$ 0</u>
Net Assets at March 31, 2024		<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, 2024 and 2023

**RAPID RE-HOUSING**

Grant Period: July 1, 2023 to June 30, 2024

Grant Number: HUD MT0055L8T002207

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant	\$ 125,089	122,665
Total Revenues	<u>\$ 125,089</u>	<u>122,665</u>
EXPENSES	\$ 156,355	
Rental Assistance		73,023
Security Deposit Assistance		17,026
Utilities Assistance		0
Case Management		25,684
Administration		13,934
Total Expenses	<u>\$ 156,355</u>	<u>129,666</u>
Revenue Over/Under Expenses		(7,001)
Transfer In		7,001
Net Assets at July 1, 2023		<u>0</u>
Net Assets at June 30, 2024		<u><u>(0)</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, 2024 and 2023

**WARMING CENTER**

Report Period: July 1, 2023 to June 30, 2024

	<u>Actual</u>
REVENUE	
Donations	\$ 125,117
Federal Grant	10,251
Gallatin County	100,000
City of Bozeman	375,714
Private Grant	0
Fund Raising	74,471
Total Revenues	<u>\$ 685,553</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 840,305
Contract Services	1,117
Rent	105,198
Travel & Training	9,403
Supplies	48,906
Furniture, Fixtures & Equipment	0
Communications	3,707
Office Costs	9,661
Supportive Services	6,418
Other	0
Utilities	14,165
Maintenance & Repairs	61,325
Fund Raising	614
Insurance	19,362
Taxes	23,510
Audit	2,634
Legal	7,332
Total Expenses	<u>\$ 1,153,657</u>
Revenue Over/Under Expenses	\$ (468,105)
Transfer In	\$ 478,355
Net Assets at July 1, 2023	<u>\$ 31,310</u>
Net Assets at June 30, 2024	<u><u>\$ 41,560</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, 2024 and 2023

**LIVINGSTON WARMING CENTER**

Report Period: July 1, 2023 to June 30, 2024

	<u>Actual</u>
REVENUE	
Donations	\$ 95,162
Fund Raising	
City of Livingston	25,000
Total Revenues	<u>\$ 120,162</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 118,369
Rent	\$ 5,927
Utilities	\$ 130
Travel & Training	\$ 232
Supplies	\$ 1,981
Communications	\$ 370
Office Costs	\$ 619
Client Assistance	\$ 2,287
Maintenance & Repairs	\$ 6,337
Fund Raising	\$ 23
Insurance	\$ 944
Amortization	\$ 6,741
Audit	\$ 585
Total Expenses	<u>\$ 144,543</u>
Revenue Over/Under Expenses	\$ (24,381)
Transfer In	\$ 12,500
Net Assets at July 1, 2023	<u>\$ 89,828</u>
Net Assets at June 30, 2024	<u><u>\$ 77,947</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, 2024 and 2023

**PATH**

Report Period: July 1, 2023 to June 30, 2024

Grant Number: DPHHS 22-102-74130-0

	<u>Actual</u>
REVENUE	
Federal Grant	\$ 233,323
State Revenue	\$ 16,667
Total Revenues	<u>\$ 249,990</u>
EXPENSES	
Personnel	\$ 134,124
Fringe Benefits	\$ 38,775
Supplies	\$ 2,883
Travel & Training	\$ 4,709
20% Housing Requirement	\$ 32,269
Elective Services	\$ 25,920
Program Expenses	\$ 2,626
Indirect	\$ 30,735
Total Expenses	<u>\$ 272,042</u>
Revenue Over/Under Expenses	\$ (22,052)
Transfer In	\$ 22,052
Net Assets at July 1, 2023	<u>\$ 0</u>
Net Assets at June 30, 2024	<u><u>\$ 0</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, 2024 and 2023

**GALLATIN VALLEY FOOD BANK**

Report Period: July 1, 2023 to June 30, 2024

	Actual
<b>REVENUE</b>	
Contributions:	
Food *	\$ 2,998,256
United Way	0
Gallatin County Senior Mill Levy	10,500
Other	927,972
Fund Raising	357,498
Other Grant Revenue	81,611
Gain on Sale of Assets	890,057
Other Income	12,406
Total Revenues	\$ 5,278,299
<b>EXPENSES</b>	
Salaries & Fringe Benefits	\$ 1,067,787
Travel & Training	1,094
Warehouse Space	127,086
Communication	6,110
Utilities, Garbage, Snow Removal	10,370
Fund Raising	9,397
Outreach/Public Relations	956
Vehicle	20,089
Repairs & Maintenance	4,331
Supplies	157,683
Insurance	23,209
Food Purchases	177,090
Food Distributions *	2,683,247
Office costs	9,986
Legal/Audit	5,438
Interest Expense	1,225
Meat Processing	3,672
Depreciation Expense	0
Other	19,221
Vehicle Purchase	0
Total Expenses	\$ 4,327,992
Revenue Over/Under Expenses	\$ 950,308
Transfer Out Food Inventory to other locations	(2,270,137)
Transfer In	71,658
Net Assets at July 1, 2023	\$ 1,999,621
Net Assets at June 30, 2024	\$ 751,449

\* Food Contributions In-Kind valued at \$1.93 per pound

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, 2024 and 2023

**GALLATIN VALLEY FOOD BANK - SENIOR CFSP**

Report Period: October 1, 2022 to September 30, 2023

Grant Number: DPHHS 23-027-21002-0

	<u>Actual</u>
REVENUE	
Senior Food Contract Income	193,815
Contributions	2,000
Total Revenues	<u>\$ 195,815</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 13,177
Supplies	398
Insurance	135
Food Distributions *	180,772
Office costs	43
Audit	258
Total Expenses	<u>\$ 194,783</u>
Revenue Over/Under Expenses	\$ 1,033
Net Assets at October 1, 2022	<u>\$ 0</u>
Net Assets at September 30, 2023	<u>\$ 1,033</u>

\* Food Contributions In-Kind valued at \$1.93 per pound

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, 2024 and 2023

**FORK AND SPOON HOMESTYLE KITCHEN**

Report Period: July 1, 2023 to June 30, 2024

	<u>Dining &amp; Facility</u>	<u>Catering</u>	<u>Spork</u>
<b>REVENUES</b>			
Donations	\$ 107,594	12,612	2,069
Meals Service (Net of Discounts)	47,003	-	
Catering & Space Rental	-	78,943	24,362
Fund Raising	12,850	-	-
Kitchen Rental Fees	1,750	21,565	
Catering Private Grant	1,320	7,500	
Total Revenues	\$ 170,517	120,619	26,432
<b>EXPENSES</b>			
Salaries & Fringe Benefits	\$ 264,410	45,567	11,431
Parking Lot Space	-	-	-
Travel & Training			60
Communications	3,330	116	628
Utilities, Garbage, Grounds Maintenance	16,712	-	-
Fund Raising	1,485	-	-
Outreach / Public Relations			139
Vehicle			815
Equipment	2,660		
Repairs & Maintenance	10,938	-	2,791
Supplies	8,579	3,615	192
Insurance	8,813		
Food Purchases	113,780	31,826	5,023
Office Costs	13,247	3,151	2,341
Audit	5,042		
Legal	180		
Interest Expense	2,269		
Depreciation Expense			
Taxes	365		
Other	156,710		
Total Expenses	\$ 608,520	84,275	23,420
Revenue Over/Under Expenses	\$ (438,004)	36,344	3,012
Transfers In	341,052	8,883	2,699
Catering & Spork Applied to F&S Operations	50,937	(45,227)	(5,710)
Net Assets at July 1, 2023	\$ (258,465)	-	-
Net Assets at June 30, 2024	\$ (304,480)	-	-

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, 2024 and 2023

**HEALTHY KIDSPACK PROGRAM**

Report Period: July 1, 2023 to June 30, 2024

	<u>Actual</u>
REVENUE	
Private Grant Revenue	\$ 20,000
Fund Raising	3,100
Donations	77,261
Restricted Donations	7,484
Total Revenues	<u>\$ 107,845</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 36,967
Fund Raising	1,450
Supplies	764
Insurance	258
Food Distributions	21,545
Food Purchases	67,032
Office Costs	705
Audit	669
Contract Services	0
Total Expenses	<u>\$ 129,389</u>
Revenue Over/Under Expenses	\$ (21,545)
Transfer In	\$ 21,545
Net Assets at July 1, 2023	<u>\$ 41,766</u>
Net Assets at June 30, 2024	<u><u>\$ 41,766</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, 2024 and 2023

**SUMMER LUNCH PROGRAM**

Grant Period: October 1, 2022 to September 30, 2023

Grant Number: MT OPI 16-6512

	<u>Actual</u>
REVENUE	
Earned Federal Revenue	\$ 129,414
Private Grant Revenue	\$ 5,000
Donations	512
Total Revenue	<u>\$ 134,926</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 65,255
Contract Services	1,250
Food Purchases	38,100
Insurance	1,351
Office Costs	384
Outreach	1,124
Supplies	1,042
Audit	475
Travel & Training	149
Vehicle Purchase	0
Total Expenses	<u>\$ 109,130</u>
Revenue Over/Under Expenses	\$ 25,795
Transfer Out	(196)
Net Assets at October 1, 2022	<u>\$ 0</u>
Net Assets at September 30, 2023	<u>\$ 25,600</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, 2024 and 2023

**HEADWATERS AREA FOOD BANK**

Report Period: July 1, 2023 to June 30, 2024

	<u>Actual</u>
REVENUE	
Grant Revenue	3,251
Contributions:	
Food *	\$ 112,706
Other	101,921
Fund Raising	12,485
Total Revenues	<u>\$ 230,363</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 110,040
Communications	2,130
Utilities, Garbage, Snow Removal	4,412
Fund Raising	560
Equipment & Supplies	2,115
Depreciation	4,631
Repairs & Maintenance	1,404
Training & Transportation	938
Insurance	1,766
Food Purchases	25,205
Food Distributions *	141,052
Office Costs	1,481
Outreach	530
Audit	1,101
Taxes	1,627
Other	2,635
Total Expenses	<u>\$ 301,628</u>
Revenue Over/Under Expenses	\$ (71,266)
Transfer In Food Inventory from GVFB	\$ 33,303
Net Assets July 1, 2023	<u>\$ 242,150</u>
Net Assets at June 30, 2024	<u><u>\$ 204,187</u></u>

\* Food Contributions In-Kind valued at \$1.93 per pound

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, 2024 and 2023

**BIG SKY COMMUNITY FOOD BANK**

Report Period: July 1, 2023 to June 30, 2024

	<u>Actual</u>
REVENUE	
Contributions:	
Donations	\$ 100,508
Food *	103,552
Big Sky Resort Tax District	72,149
Restricted Donations	10,839
Private Grant	82,000
Fund Raising	12,210
Misc Revenue	3,240
Total Revenues	<u>\$ 384,499</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 164,118
Contract Services	2,000
Travel & Training	3,812
Communications	2,107
Space Rental	31,629
Utilities, Garbage, Snow Removal	7,943
Outreach/Public Relations	2,931
Vehicle	2,204
Equipment & Supplies	1,439
Repairs & Maintenance	1,637
Insurance	4,665
Food Purchases	53,359
Food Distributions *	111,726
Office Costs	2,394
Fund Raising	1,383
Audit	1,255
Meat Processing	0
Other	0
Vehicle Purchase	0
Total Expenses	<u>\$ 394,602</u>
Revenue Over/Under Expenses	\$ (10,104)
Transfer In Food Inventory from GVFB	\$ 10,104
Net Assets at July 1, 2023	<u>\$ 673,364</u>
Net Assets at June 30, 2024	<u><u>\$ 673,364</u></u>

\* Food Contributions In-Kind valued at \$1.93 per pound

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, 2024 and 2023

**IN HOME SERVICES**

Grant Period: July 1, 2023 to June 30, 2024

Grant Number: Area IV Agency on Aging 2024-004-013 (Gallatin County)

	Budget	Actual
<b>REVENUE</b>		
Title III Revenue	\$ 54,500	62,350
Title III Revenue - Respite	26,000	31,000
Donations	0	0
Other Grant Revenue	6,000	6,000
Total Revenues	\$ 86,500	99,350
<b>EXPENSES</b>		
Salaries & Fringe Benefits	\$ 99,880	100,292
Supplies	550	669
Space	0	436
Communications	500	305
Travel & Training	2,000	221
Insurance	1,100	992
Audit	551	516
Other - Program Support	250	0
Total Expenses	\$ 104,831	103,430
Revenue Over/Under Expenses	\$ (18,331)	\$ (4,080)
Transfer In		\$ 4,080
Net Assets at July 1, 2023		\$ 0
Net Assets at June 30, 2024		\$ 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, 2024 and 2023

**IN HOME SERVICES - PARK COUNTY**

Grant Period: July 1, 2023 to June 30, 2024

Grant Number: Area IV Agency on Aging 2024-004-013 (Park County)

	Budget	Actual
<b>REVENUE</b>		
Title III Revenue	\$ 23,500	35,550
Title III Revenue - Respite	26,000	23,500
Donations	15,000	
Total Revenues	\$ 64,500	59,050
 <b>EXPENSES</b>		
Salaries & Fringe Benefits	\$ 64,307	64,905
Supplies	450	779
Communications	500	1,087
Travel & Training	1,500	1,424
Building Space	0	877
Insurance	850	730
Audit	479	614
Total Expenses	\$ 68,085	70,416
 Revenue Over/Under Expenses	\$ (3,585)	\$ (11,366)
 Transfer In		11,366
 Net Assets at July 1, 2023		\$ 2,752
 Net Assets at June 30, 2024		\$ 2,752

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, 2024 and 2023

**SENIOR REACH**

Grant Period: July 1, 2023 to June 30, 2024

Grant Number: Area IV Agency on Aging 2024-004-013

	Budget	Actual
<b>REVENUE</b>		
Federal Grant - ARPA CarryFwd	\$ 10,000	0
State Grant	5,000	15,000
Other Income	15,000	0
Total Revenue	\$ 30,000	15,000
<b>EXPENSES</b>		
Salaries & Fringe Benefits	\$ 26,329	21,757
Supplies	500	98
Travel & Training	0	705
Building Space	5,000	610
Communications	-	103
Insurance	0	179
Audit	355	348
Other	0	301
Total Expenses	\$ 32,184	24,102
Revenue Over/Under Expenses	\$ 0	(9,102)
Transfer In		9,102
Net Assets at July 1, 2023		\$ -
Net Assets at June 30, 2024		\$ 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, 2024 and 2023

**STATE HEALTH INSURANCE PROGRAM (SHIP) - INFORMATION & ASSISTANCE**

Grant Period: July 1, 2023 to June 30, 2024

Grant Number: Area IV Agency on Aging 2024-004-013

	Budget	Actual
<b>REVENUE</b>		
Federal	\$ 100,000	60,138
State	\$ 0	39,862
Other Income	0	0
Total Revenue	\$ 100,000	100,000
 <b>EXPENSES</b>		
Salaries & Fringe Benefits	\$ 98,344	104,034
Supplies	250	854
Communications	500	492
Travel & Training	1,000	188
Building Space	3,000	3,762
Insurance	500	846
Audit	319	335
Other	0	308
Total Expenses	\$ 103,913	110,818
 Revenue Over/Under Expenses	\$ (3,913)	(10,818)
 Transfer In		\$ 10,818
 Net Assets at July 1, 2023		\$ 0
 Net Assets at June 30, 2024		\$ 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, 2024 and 2023

**SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP)**

Grant Period: July 1, 2023 to June 30, 2024

Grant Number: NCOA SNAP 2022-2024

	<u>Actual</u>
REVENUE	
Private Grant	27,500
Total Revenue	<u>27,500</u>
EXPENSES	
Salaries & Fringe Benefits	9,553
Communications	196
Building Space	848
Travel & Training	1,861
Total Expenses	<u>12,458</u>
Revenue Over/Under Expenses	15,042
Transfer Out	\$ (8,741)
Net Assets at July 1, 2023	<u>\$ 0</u>
Net Assets at June 30, 2024	<u><u>\$ 6,301</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, 2024 and 2023

**RETIRED SENIOR VOLUNTEER PROGRAM**

Grant Period: April 1, 2023 to March 31, 2024

Grant Number: CNCS 21SRDMT002 (Year 3)  
Area IV Agency on Aging (Title III) 2023-004-013

	Budget	Actual	In-Kind
<b>REVENUE</b>			
Federal Grant	\$ 86,161	86,161	
Gallatin County Senior Mill Levy	11,000	11,000	
Title III Grant	5,000	4,418	
Donations	71,495	10,050	
Other Grant Revenue			
In-Kind	11,985		11,985
Total Revenues	\$ 185,641	111,629	11,985
<b>EXPENSES</b>			
Personnel Expense			
Project Director	\$ 55,120	42,330	
Program Coordinators	36,598	30,835	
Senior Reach Program Manager	-		
Fiscal Staff	7,800	6,967	
Executive	4,700	2,579	
Personnel	4,150	2,891	
Receptionists	2,150	1,153	
Fringe Benefits	22,628	18,181	
Receivables and Grants	640	310	
Agency Wide Insurance	-	554	
Local Travel	500	26	
Long Distance Travel	1,000	-	
Supplies	3,000	2,958	
Computer Service	4,560	3,338	
Space	19,694	16,127	11,985
Audit	714	549	
Outreach	2,000	1,874	
Other	9,198	403	
Volunteer Meals	1,000	-	
Volunteer Insurance	1,400	1,173	
Volunteer Travel	350	-	
Volunteer Supplies		229	
Volunteer Recognition	8,439	2,211	
Total Expenses	\$ 185,641	134,688	11,985
Revenue Over/Under Expenses	\$ 0	(23,059)	0
Transfer In		\$ 23,059	
Net assets at April 1, 2023		\$ 0	
Net assets at March 31, 2024		\$ 0	

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, 2024 and 2023

**Senior Demonstration Project**

Grant Period: April 1, 2022 to March 31, 2024

Grant Number: CNCS 22SDDMT001

	Budget	Actual	Excess Non-Federal Share
<b>REVENUE</b>			
Federal Grant	\$ 200,000	200,000	
Gallatin County Senior Mill Levy			
Title III Grant			
Donations	83,117	9,384	
Other Grant Revenue	4,000		646
Total Revenues	\$ 287,117	209,384	646
<b>EXPENSES</b>			
Personnel Expense			
Project Director	\$ 53,000	66,819	
Program Coordinators	65,900	32,807	
Senior Reach Program Manager	64,643	33,277	
Fiscal Staff	6,265	6,323	
Executive	4,635	2,678	
Personnel	4,000	3,079	
IT Technology	3,000	3,040	
Receivables & Grants	600	73	
Receptionists	1,500	1,182	
Fringe Benefits	36,374	30,203	
Agency-wide Insurance	-	861	
Local Travel	3,000	1,044	
Long Distance Travel	2,000	443	
Supplies	11,500	5,942	646
Training	1,000	-	
Space	12,000	16,290	
Audit	-	498	
Communications		3,124	
Other	2,000	299	
Volunteer Meals	1,000	-	
Volunteer Insurance	1,700	-	
Volunteer Travel	3,000	-	
Volunteer Supplies		450	
Volunteer Recognition	10,000	953	
Total Expenses	\$ 287,117	209,384	646
Revenue Over/Under Expenses	\$ 0	(0)	0
Net assets at April 1, 2022		\$ 0	
Net assets at March 31, 2024		\$ (0)	

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, 2024 and 2023

**SENIOR MEDICARE PATROL**

Grant Period: June 1, 2023 to May 31, 2024

Grant Number: Area XI Agency on Aging MOU

	Budget	Actual
REVENUE		
Grant	\$ 9,288	13,364
Total Revenue	\$ 9,288	13,364
EXPENSES		
Salaries & Fringe Benefits	\$ 9,615	7,980
Travel & Training	\$ 0	626
Insurance	\$ 0	100
Supplies	\$ 0	49
Space	0	160
Communications	0	49
Audit	72	142
Total Expenses	\$ 9,687	9,106
Revenue Over/Under Expenses	\$ (399)	\$ 4,258
Transfer Out		\$ (8,142)
Transfer In		\$ 3,884
Net Assets at June 1, 2023		\$ 0
Net Assets at May 31, 2024		\$ 0

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, 2024 and 2023

**SHERWOOD SERVICE COORDINATOR**

Grant Period: January 1, 2023 to December 31, 2023

Grant Number: MFSC179734-01-07

	Budget	Actual
<b>REVENUE</b>		
Grant	\$ 42,957	34,122
Total Revenue	\$ 42,957	34,122
<b>EXPENSES</b>		
Salaries & Fringe Benefits	\$ 43,860	32,917
Travel & Training	576	0
Insurance	0	328
Office Costs	275	1,599
HRDC Cost Allocations	6,986	8,208
Supplies	275	180
Other	224	0
Total Expenses	\$ 52,196	43,232
Revenue Over/Under Expenses	\$ (9,239)	(9,110)
Net Assets at January 1, 2023		\$ 0
Net Assets at December 31, 2023		\$ (9,110)

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, 2024 and 2023

**GALAVAN / SENIOR TRANSPORTATION**

Grant Period: July 1, 2023 to June 30, 2024

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

	<u>Budget</u>	<u>Actual</u>	<u>Capital Actual</u>
<b>REVENUE</b>			
Title III Revenue	\$ 21,400	21,400	
ParaTransit Contract - Streamline	161,500	101,500	
MT DOT Transade	154,552	154,552	
MT DOT Capital Grants - Vehicles	374,142	0	374,142
<b>Local Revenue</b>			
Friends of Galavan	7,500	1,625	
Gallatin County	120,000	120,000	
City of Bozeman	160,000	0	
City of Belgrade	20,000	0	
HRDC Greatest Needs	25,000	25,000	
Rider Donations	15,000	7,393	
Contributions	2,000	0	
Storage Space Rental Income	5,000	648	
Investment Income/Other	10,500	0	
Total Revenues	<u>\$ 1,076,594</u>	<u>432,118</u>	<u>374,142</u>
<b>EXPENSES</b>			
Salaries & Fringe Benefits	\$ 500,000	421,655	
HRDC Admin. Cost Allocations	72,995	66,014	
Gas & Oil	66,000	43,805	
Repairs & Maintenance	40,000	30,766	
Insurance	30,000	31,823	
Bus Barn Operating Costs	7,000	4,335	
Travel & Training	3,000	1,032	
Advertising/PR	1,500	654	
Cleaning	0	24,545	
Supplies	3,500	4,342	
Communications	3,000	4,833	
Audit	1,534	1,366	
Other (incl RM software)	10,000	19,395	
Equipment-Other	10,000	402	
Equipment-Vehicles	434,392	0	434,392
Total Expenses	<u>\$ 1,182,921</u>	<u>654,967</u>	<u>434,392</u>
Revenue Over/Under Expenses	<u>\$ (106,327)</u>	(222,849)	(60,250)
Operating Funds Applied to Capital		\$ (60,250)	
Net Assets at July 1, 2023		<u>\$ 604,439</u>	
Net Assets at June 30, 2024		<u>\$ 321,340</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, 2024 and 2023

**STREAMLINE BUS / PUBLIC TRANSPORTATION**

Grant Period: July 1, 2023 to June 30, 2024

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

	Budget	Actual	Capital Actual
<b>REVENUE</b>			
MT DOT Operating Grant	\$ 1,592,684	1,592,684	
MT DOT Capital Grant	1,563,386	0	1,563,386
<b>Local Revenue</b>			
Associated Students of MSU	250,000	266,878	
Contract Income	191,667	161,667	
City of Bozeman	400,000	400,000	
Bozeman Health	20,000	0	
City of Belgrade	20,000	0	
Gallatin County	0	40,000	
Storage Space Rental Income	8,000	1,752	
Contributions	3,000	100	
Total revenues	\$ 4,048,737	2,463,081	1,563,386
<b>EXPENSES</b>			
Salaries & Fringe Benefits	\$ 270,000	236,434	
HRDC Admin Cost Allocations	104,234	110,284	
Contract Services	1,110,483	972,801	
Gas & Oil	260,000	178,229	
Repairs & Maintenance	175,000	150,613	
Insurance	214,999	300,516	
Bus Barn Operating Costs	19,000	15,122	
Parking Garage Cleaning/Security	20,000	23,299	
Travel & Training	8,000	5,938	
Advertising/PR & Outreach	74,999	74,204	
Supplies	5,000	8,099	
Communications	8,000	4,756	
Audit	1,973	1,812	
Other	0	4,605	
Equipment - Other	40,000	11,647	
Equipment - Vehicles	0	0	1,916,816
Equipment - Vehicle Wraps	0	27,014	
Equipment - GPS Tracking Software	21,000	6,275	
UTD	0	146,719	
Total Expenses	\$ 2,332,688	2,278,367	1,916,816
Revenue Over/Under Expenses	\$ 1,716,049	184,714	(353,430)
Operating Funds Applied to Capital		\$ (353,430)	353,430
Transfer Out		(102,799)	0
Net Assets at July 1, 2023		\$ 395,778	0
Net Assets at June 30, 2024		\$ 124,263	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, 2024 and 2023

**CHAFEE FOSTER CARE INDEPENDENCE PROGRAM**

Grant Period: July 1, 2023 to June 30, 2024

Contract Number: Action Inc (Butte) Sub Grant - D240302471RA

	Budget	Actual
REVENUE		
Grant	\$ 112,000	112,227
Other Income	2,000	0
Total Revenues	\$ 114,000	112,227
EXPENSES		
Salaries & Fringe Benefits	\$ 59,950	79,141
Rent Expenses	8,000	2,694
Communications	2,000	8,313
Administrative	17,284	13,495
Travel & Training	5,750	4,360
Equipment & Supplies	350	519
Youth Stipends/Support	9,050	5,915
NYTD Survey Incentives	0	0
Insurance	750	843
Total Expenses	\$ 103,134	115,280
Revenue Over/Under Expenses	\$ 10,866	(3,053)
Transfer In		\$ 3,053
Net Assets at July 1, 2023		\$ 0
Net Assets at June 30, 2024		\$ 0



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, 2024 and 2023

**BLUEPRINT - YOUTH TRANSITIONAL LIVING HOUSE**

Report Period: July 1, 2023 to June 30, 2024

	<u>Actual</u>
REVENUE	
Donations	\$ 21,803
Fund Raising Income	12,300
Misc Income	6,598
Total Revenues	<u>\$ 40,701</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 43,554
Youth Stipends/Support	\$ 2,423
Utilities & Phone	\$ 6,386
Maintenance & Repairs	\$ 3,352
Supplies/Office Costs	\$ 2,322
Travel & Training	\$ 1,014
Legal & Audit	\$ 1,282
Space	\$ 189
Communications	\$ 1,824
Insurance	\$ 2,504
Contract Services	\$ 2,258
Taxes	\$ 818
Interest Expense	\$ 18,929
Depreciation	\$ 22,939
Other Expenses	\$ 564
Total Expenses	<u>\$ 110,357</u>
Revenue Over/Under Expenses	\$ (69,657)
Transfers In	
General	\$ 47,657
Greatest Needs	5,000
Transfer Out	(6,000)
Net Assets at July 1, 2023	<u>\$ (43,147)</u>
Net Assets at June 30, 2024	<u><u>\$ (66,147)</u></u>

See Independent Auditors' Report

SUPPLEMENTAL SCHEDULE  
SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)  
For the Years Ended June 30, 2024 and 2023

**RESOURCE PROPERTY MANAGEMENT**

Report Period: July 1, 2023 to June 30, 2024

	Actual
<b>REVENUE</b>	
HRDC Owned	
Management fees: Colorado Apts (8 units)	4,464
Management fees: Cottages @ Menicucci Sq (18 units)	11,648
Management fees: Livingston Village Cottages (12 units)	0
Management fees: Sherwood Inn Apts Inc: Geyser (1 unit)	900
Management fees: Summit Place Apts (7 units)	4,178
Management fees: West Babcock Apts (24 units)	19,524
Management fees: West Edge Condos (4 units)	2,429
Management fees: Wheat Suites (4 units)	20,037
Management fees: HRDC Facilities (14 buildings)	27,400
Third-Party Owned	
Management fees: Antelope Court Apts (30 units)	12,981
Management fees: Big Sky Villas Apts (24 units)	22,743
Management fees: Bluebunch Flats (37 units)	6,221
Management fees: Boulevard Apts (42 units)	30,256
Management fees: Buffalo Court Apts (20 units)	6,950
Management fees: Castle Mountain Apts (10 units)	10,556
Management fees: Darlinton Apts (100 units)	80,272
Management fees: Dorothy Eck (10 units)	315
Management fees: Miles Building Apts (47 units)	27,456
Management fees: Sherwood Inn Apts (50 units)	26,021
Management fees: Stan's Garden (42 units)	10,108
Other Income	0
Total Revenues	\$ 324,459
<b>EXPENSES</b>	
Salaries & Fringe Benefits	\$ 213,711
Contract Services	467
Travel & Training	2,425
Space Costs	9,004
Communications	1,441
Supplies	1,905
Office Costs	1,856
Liability Insurance	15,810
Legal	0
Other	1,452
Total Expenses	\$ 248,071
Revenue over/under expenses	\$ 76,388
Net assets at July 1, 2023	\$ 0
Net assets at June 30, 2024	\$ 76,388

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, 2024 and 2023

**HEAD START PROGRAM**

Grant Period: April 1, 2023 to March 31, 2024

Grant Number: HHS 08CH010871-05-00

	Budget	Actual	In-Kind
<b>REVENUE</b>			
Grant	\$ 1,944,381	1,944,381	
USDA Child & Adult Care Food Pgm	80,000	73,851	
State of MT Childcare	54,500	23,914	
Childcare Stabilization Grant	138,999	138,999	
Other Income	4,000	3,367	
In-kind	433,425	0	177,783
Total Revenues	\$ 2,655,305	\$ 2,184,512	177,783
<b>EXPENSES</b>			
Salary & Fringe Benefits	\$ 2,161,062	\$ 1,139,868	
Fringe Benefits	0	484,954	
Travel/Training	34,475	28,846	
Supplies	100,435	102,824	
Contract Services	9,900	10,006	
Other	51,650	251,160	
Rent	177,750	158,275	
Parent Activities	4,000	8,579	
In-kind Expenses	0	0	177,783
Total Expenses	\$ 2,539,272	2,184,512	177,783
Revenue Over/Under Expenses	\$ 116,033	0	0
Net Assets at April 1, 2023		\$ 0	0
Net Assets at March 31, 2024		\$ 0	0

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, 2024 and 2023

**HEAD START FACILITIES**

Report Period: For the Year Ended June 30, 2024

	Bozeman Center Actual	Livingston Center Actual	Belgrade Center Actual
<b>REVENUE</b>			
Rental Income	\$ 32,400	40,500	81,600
Misc Income			
Total Revenue	<u>\$ 32,400</u>	<u>40,500</u>	<u>81,600</u>
<b>EXPENSES</b>			
Gas & Electric	\$ 3,354	50	6,860
Water, Sewer, & Garbage	\$ 3,192	656	4,743
Maintenance & Repairs	\$ 17,376	5,507	10,892
Janitorial/Grounds	\$ 6,275	309	28,176
Property Management/Audit	\$ 2,000	0	2,000
Insurance	\$ 3,132	2,888	5,426
Taxes	\$ 885	0	122
Interest Expense	0	4,037	17,070
Depreciation	0	1,609	65,965
Total Expenses	<u>\$ 36,214</u>	<u>\$ 15,056</u>	<u>\$ 141,254</u>
Revenue Over/Under Expenses	\$ (3,814)	25,444	(59,654)
Net Assets at July 1, 2023	<u>\$ 19,958</u>	<u>(11,806)</u>	<u>159,542</u>
Net Assets at June 30, 2024	<u><u>\$ 16,144</u></u>	<u><u>13,638</u></u>	<u><u>99,888</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, 2024 and 2023

**ROAD TO HOME - HOMEBUYER EDUCATION**

Report Period: July 1, 2023 to June 30, 2024

Grant Periods: City of Bozeman (COB) November 25, 2003 to June 30, 2024

MT HomeOwnership Network (MHN)/NeighborWorks MT (NWMT) October 1, 2004 to June 30, 2024

Grant Number: NWMT Housing Counseling and Education Network Partner Agreement

	<u>Actual</u>
REVENUE	
City of Bozeman	\$ 40,000
Contract Income	77,289
Contract Income - LIFT Pilot	500
Contributions	600
Total Revenues	<u>\$ 118,389</u>
EXPENSES	
Salaries & Fringe	\$ 141,341
Space	7,288
Communications	578
Supplies	1,053
Contract Services	4
Insurance	1,135
Administrative	16,303
Travel & Training	3,213
Total Expenses	<u>\$ 170,915</u>
Revenue Over/(Under) expenses	\$ (52,526)
Transfer Out	\$ (129,565)
Net assets for Operations at July 1, 2023	<u>\$ 313,849</u>
Net Assets for Operations at June 30, 2024	<u><u>\$ 131,758</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, 2024 and 2023

**COMMUNITY SERVICES BLOCK GRANT**

Grant Period: January 1, 2022 to August 31, 2023

Grant Number: DPHHS 22-028-10007-0

	Budget	Actual
<b>REVENUE</b>		
Grant	\$ 349,575	362,119
Misc Income	\$ 0	0
Private Grant	\$ 0	0
Total Revenue	\$ 349,575	362,119
<b>EXPENSES</b>		
Salaries & Fringe	\$ 311,729	307,817
Consultants & Contract Services	21,040	7,674
Travel/Training	3,000	2,558
Space	10,000	11,477
Supplies	2,500	507
Small Equipment	0	0
Other Non-Direct Expenses	0	4,198
Support for Programs/Projects and Other Costs	1,306	27,889
Total Expenses	\$ 349,575	362,119
Revenue Over/Under Expenses	\$ (0)	0
Net Assets at January 1, 2022		\$ 0
Net Assets at August 31, 2023		\$ 0

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, 2024 and 2023

**COMMUNITY SERVICES BLOCK GRANT**

Grant Period: May 1, 2020 to September 30, 2023

Grant Number: DPHHS 21-028-19047-0

	Budget	Actual
<b>REVENUE</b>		
Grant	\$ 57,288	377,632
Total Revenue	\$ 57,288	377,632
<b>EXPENSES</b>		
Salaries & Fringe	\$ 20,076	1,250
Consultants & Contract Services	1,764	547
Travel/Training	0	2,800
Vehicle	0	24,999
Small Equipment	5,994	33,565
Other Non-Direct Expenses	0	4,441
Support for Programs/Projects and Other Costs	29,454	310,030
Total Expenses	\$ 57,288	377,632
Revenue Over/Under Expenses	\$ (0)	0
Net Assets at May 1, 2020		\$ 0
Net Assets at September 30, 2023		\$ 0

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, 2024 and 2023

**HRDC CENTRAL OFFICE**

Report Period: July 1, 2023 to June 30, 2024

	HRDC Central Office	
	Budget	Actual
<b>REVENUE</b>		
Rental Income	\$ 110,400	110,400
Other Income	4,800	5,432
Total Revenue	\$ 115,200	115,832
<b>EXPENSES</b>		
Gas & Electric	\$ 16,020	14,875
Water, Sewer, & Garbage	3,540	7,712
Maintenance & Repairs	19,882	35,308
Janitorial/Grounds	18,600	10,164
Property Management/Audit	7,200	7,200
Insurance	6,600	8,633
Taxes	1,650	1,595
Interest Expense	14,528	13,361
Depreciation	0	42,297
Total Expenses	\$ 88,020	141,145
Revenue Over/Under Expenses	\$ 27,180	(25,313)
Net Assets at July 1, 2023		\$ 666,770
Net Assets at June 30, 2024		\$ 641,457

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, 2024 and 2023

**SCHEDULE OF ADMINISTRATIVE COSTS ALLOCATED**

Report Period: For the Year Ended June 30, 2024

	<u>Actual</u>
REVENUE	
Allocation Payments from Programs	\$ 1,790,977
Misc Income	0
Total Revenues	<u>\$ 1,790,977</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 1,339,915
Space Costs	35,462
Financial Audit	1,649
Communications	9,983
Office Costs	3,195
Small Equipment	89,206
Computer Service	238,986
Travel/Training	12,414
Contract Services	29,400
Other	61,987
Total Expenses	<u>\$ 1,822,197</u>
Revenue Over/Under Expenses	\$ (31,220)
Transfer In	28,702
Net Assets at July 1, 2023	<u>\$ 5,071</u>
Net Assets at June 30, 2024	<u><u>\$ 2,553</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, 2024 and 2023

**Youth Homelessness Demonstration Program  
Transitional Housing: Rapid Rehousing**

Grant Period: October 1, 2022 to September 30, 2023

Grant Number: MT00-94Y8T-02100

	Budget	Actual
REVENUE		
Grant	\$ 131,776	122,542
Total Revenue	131,776	122,542
EXPENSES		
Operating Costs	\$ 37,122	38,204
Rental Assistance	17,820	9,709
Supportive Services	65,912	64,889
HMIS Costs	572	286
Administrative Costs	10,350	18,306
Total Expenses	131,776	131,394
Revenue Over/Under Expenses	\$ 0	(8,852)
Transfer In		8,852
Net Assets at October 1, 2022		0
Net Assets at September 30, 2023		0

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, 2024 and 2023

**Youth Homelessness Demonstration Program**  
**Rapid Rehousing**

Grant Period: October 1, 2022 to September 30, 2023

Grant Number: MT00-96Y8T-02100

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant	\$ 36,935	34,809
Total Revenue	<u>36,935</u>	<u>34,809</u>
EXPENSES		
Rental Assistance	\$ 25,964	5,925
Supportive Services	8,054	27,231
Administrative Costs	2,917	7,165
Total Expenses	<u>36,935</u>	<u>40,322</u>
Revenue Over/Under Expenses	<u>\$ 0</u>	(5,513)
Transfer In		5,513
Net Assets at October 1, 2022		<u>0</u>
Net Assets at September 30, 2023		<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, 2024 and 2023

**Youth Homelessness Demonstration Program  
Permanent Supportive Housing**

Grant Period: October 1, 2022 to September 30, 2023

Grant Number: MT00-95Y8T-02100

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant	\$ 55,253	52,728
Total Revenue	<u>55,253</u>	<u>52,728</u>
EXPENSES		
Rental Assistance	\$ 29,852	4,659
Supportive Services	20,884	44,372
Administrative Costs	4,517	8,319
Total Expenses	<u>55,253</u>	<u>57,350</u>
Revenue Over/Under Expenses	<u>\$ 0</u>	(4,622)
Transfer In		4,622
Net Assets at October 1, 2022		<u>0</u>
Net Assets at September 30, 2023		<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, 2024 and 2023

**Youth Homelessness Demonstration Program  
Systems Navigation**

Grant Period: October 1, 2022 to September 30, 2023

Grant Number: MT00-97Y8T-02100

	Budget	Actual
REVENUE		
Grant	\$ 110,005	109,657
Total Revenue	110,005	109,657
EXPENSES		
Supportive Services	\$ 99,890	102,670
HMIS	540	192
Administrative Costs	9,575	17,819
Total Expenses	110,005	120,681
Revenue Over/Under Expenses	\$ 0	(11,024)
Transfer In		11,024
Net Assets at October 1, 2022		0
Net Assets at September 30, 2023		(0)

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, 2024 and 2023

**Youth Homelessness Demonstration Program  
Diversion**

Grant Period: October 1, 2022 to September 30, 2023

Grant Number: MT00-99Y8T-02100

	Budget	Actual
REVENUE		
Grant	\$ 60,321	59,973
Total Revenue	60,321	59,973
EXPENSES		
Supportive Services	\$ 54,406	56,400
HMIS	540	192
Administrative Costs	5,375	13,812
Total Expenses	60,321	70,404
Revenue Over/Under Expenses	\$ 0	(10,431)
Transfer In		10,431
Net Assets at October 1, 2022		0
Net Assets at September 30, 2023		(0)

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, 2024 and 2023

**Local Initiatives Support Corporation  
Capacity**

Grant Period: January 14, 2022 - December 31, 2023

Grant Number: 41189-0048

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant	\$ 36,000	36,000
Total Revenue	<u>36,000</u>	<u>36,000</u>
EXPENSES		
Salaries & Fringe Benefits	\$ 27,000	27,124
Travel & Training	6,000	4,714
Occupancy, Communications, Office Costs	3,000	10,086
Total Expenses	<u>36,000</u>	<u>41,924</u>
Revenue Over/Under Expenses	<u>\$ 0</u>	(5,924)
Transfer In		5,924
Net Assets at January 14, 2022		<u>-</u>
Net Assets at December 31, 2023		<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, 2024 and 2023

**Local Initiatives Support Corporation**  
**Financial Opportunity Center**

Grant Period: August 1, 2023 - November 30, 2023

Grant Number: 41189-0051

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant	\$ 17,517	17,517
Total Revenue	<u>17,517</u>	<u>17,517</u>
EXPENSES		
Salaries & Fringe Benefits	\$ 14,133	14,283
Travel & Training	2,500	2,577
Occupancy, Communications, Office Costs	884	1,523
Total Expenses	<u>17,517</u>	<u>18,383</u>
Revenue Over/Under Expenses	<u>\$ 0</u>	(867)
Net Assets at August 1, 2023		<u>0</u>
Net Assets at November 30, 2023		<u>(867)</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, 2024 and 2023

**Local Initiatives Support Corporation  
Healthy Housing Colorado**

Grant Period: December 12, 2022 - December 31, 2023

Grant Number: 41189-0049

	Budget	Actual
REVENUE		
Grant	\$ 20,000	20,000
Total Revenue	20,000	20,000
EXPENSES		
Salaries & Fringe Benefits	\$ 20,000	20,321
Occupancy & Communications	0	824
Total Expenses	20,000	21,145
Revenue Over/Under Expenses	\$ (0)	(1,145)
Transfer In		1,145
Net Assets at December 12, 2022		0
Net Assets at December 31, 2023		0

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, 2024 and 2023

**Day 1 Families**

Report Period: July 1, 2023 to June 30, 2024

Grant Number: Day 1 Family Foundation

	<u>Actual</u>
REVENUE	
Private Grant Revenue	\$ 145,153
Investment Income	154,621
MHN / NWMT	-
Total Revenues	<u>\$ 299,774</u>
EXPENSES	
Administrative	\$ 24,328
Salaries & Fringe Benefits	157,375
Supportive Services	182,741
Office Expenses	8,203
Other Expenses	0
Total Expenses	<u>\$ 372,648</u>
Revenue Over/Under Expenses	\$ (72,874)
Net Assets at July 1, 2023	<u>\$ 2,425,692</u>
Net Assets at June 30, 2024	<u><u>\$ 2,352,818</u></u>

**SINGLE AUDIT SECTION**

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2024

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
<b>Dept. of Housing and Urban Development</b>						
<i>Montana Dept. of Health and Human Services</i>						
EMERGENCY SHELTER GRANT 21-23	14.231	09/01/21 - 07/31/23	21-028-51007-0	\$108,776	35,884	
EMERGENCY SHELTER GRANT 22-24	14.231	11/01/22 - 03/31/24	22-028-51007-0	\$96,413	96,413	
EMERGENCY SHELTER GRANT 22-24	14.231	04/01/24 - 03/31/25	23-028-51007-0	\$81,210	15,147	
Total Emergency Shelter Grant					<u>147,444</u>	-
<i>Direct</i>						
YOUTH HOMELESSNESS DEMONSTRATION GRANT - (TH.RRH)	14.276	10/01/22 - 09/30/23	MT0094Y8T02100	\$131,776	22,643	
YOUTH HOMELESSNESS DEMONSTRATION GRANT - (RRH)	14.276	10/01/22 - 09/30/23	MT0096Y8T02100	\$36,935	7,124	
YOUTH HOMELESSNESS DEMONSTRATION GRANT - (PSH)	14.276	10/01/22 - 09/30/23	MT0095Y8T02100	\$55,253	13,299	
YOUTH HOMELESSNESS DEMONSTRATION GRANT - (SYS NAV)	14.276	10/01/22 - 09/30/23	MT0097Y8T02100	\$110,005	40,792	
YOUTH HOMELESSNESS DEMONSTRATION GRANT - (DIVERSION)	14.276	10/01/22 - 09/30/23	MT0099Y8T02100	\$60,321	11,234	
YOUTH HOMELESSNESS DEMONSTRATION GRANT - (TH.RRH)	14.276	10/01/23 - 09/30/24	MT0094Y8T002201	\$131,776	89,578	
YOUTH HOMELESSNESS DEMONSTRATION GRANT - (RRH)	14.276	10/01/23 - 09/30/24	MT0096Y8T002201	\$36,935	19,227	
YOUTH HOMELESSNESS DEMONSTRATION GRANT - (PSH)	14.276	10/01/23 - 09/30/24	MT0095Y8T002201	\$55,253	45,486	
YOUTH HOMELESSNESS DEMONSTRATION GRANT - (SYS NAV)	14.276	10/01/23 - 09/30/24	MT0097Y8T002201	\$110,005	75,125	
YOUTH HOMELESSNESS DEMONSTRATION GRANT - (DIVERSION)	14.276	10/01/23 - 09/30/24	MT0099Y8T002201	\$60,321	41,105	
Total Youth Homelessness Demonstration					<u>365,613</u>	-
CONTINUUM OF CARE - RAPID RE-HOUSING	14.267	07/01/23 - 06/30/24	MT0055L8T002207	\$122,665	122,665	
Total Continuum of Care					<u>122,665</u>	-
MULTIFAMILY HOUSING SERVICE COORDINATORS	14.191	01/01/23 - 12/31/23	MFSC179734-01-07	\$37,451	18,143	
MULTIFAMILY HOUSING SERVICE COORDINATORS	14.191	01/01/24 - 12/31/24	MFSC179734-01-08	\$35,432	17,657	
Total Multi-Family Housing Service Coordinators					<u>35,800</u>	-
<i>Montana Dept. of Commerce</i>						
HOME INVESTMENT PARTNERSHIP PROGRAM - Colorado Apts	14.239	12/09/22 - 03/31/2025	MT-HOME-23-02	\$668,000	356,539	-
<i>Local Initiatives Support Corporation</i>						
RURAL LISC	14.252	01/14/22 - 12/31/23	41189-0048	\$36,000	7,814	
RURAL LISC - Healthy Housing Colorado Rehab	14.252	12/12/22 - 12/31/23	41189-0049	\$20,000	16,727	
RURAL LISC - FOC	14.252	08/01/23 - 11/30/23	41189-0051	\$17,517	17,517	
RURAL LISC - Healthy Housing Gardner	14.252	12/21/23 - 12/31/24	41189-0052	\$18,000	5,553	
Total LISC					<u>47,611</u>	-
<b>Total Department of Housing and Urban Development</b>					<u>1,075,672</u>	-

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2024

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
<b>Department of Treasury</b>						
<i>Montana Dept. of Health and Human Services</i>						
EMERGENCY RENTAL ASSIST: HOUSING STABILITY SERVICES	21.023	10/01/22 - 09/30/24	23-028-17007-0	\$534,670	133,243	-
Total Emergency Rental Assistance					<u>133,243</u>	-
<i>Gallatin County</i>						
STATE AND LOCAL FISCAL RECOVERY FUNDS ARPA -	21.027	06/06/2023 - 12/31/26	2023657	\$2,250,000	2,250,000	-
<b>Total Department of Treasury</b>					<u>2,383,243</u>	-
<b>Department of Labor</b>						
<i>Montana Department of Labor</i>						
WIOA Cluster						
WORKFORCE INNOVATION & OPPORTUNITY ACT	17.259	07/01/2023 - 12/31/24	DLISF20CONWSD_102	\$169,582	136,278	-
<b>Total Department of Labor, WIOA Cluster</b>					<u>136,278</u>	-
<b>Department of Transportation</b>						
<i>Montana Department of Transportation</i>						
FORMULA GRANTS FOR OTHER THAN URBANIZED AREAS	20.509	7/1/2023 - 6/30/2024	MT-2023-011	1,592,684	1,592,684	-
FORMULA GRANTS FOR OTHER THAN URBANIZED AREAS	20.509	08/13/20 - 08/31/23	112967	\$396,269	396,269	-
FORMULA GRANTS FOR OTHER THAN URBANIZED AREAS	20.509	8/15/2022 - 5/16/2024	113312	\$162,060	162,060	-
FORMULA GRANTS FOR OTHER THAN URBANIZED AREAS	20.509	8/15/2022 - 5/16/2024	113247	\$107,017	107,017	-
					<u>2,258,030</u>	-
Federal Transit Cluster						
BUS AND BUS FACILITIES FORMULA PROGRAM	20.526	08/13/20 - 8/31/23	112966	\$1,167,117	1,167,117	-
BUS AND BUS FACILITIES FORMULA PROGRAM	20.526	08/4/21 - 05/16/24	113248	\$105,065	105,065	-
Total Federal Transit Cluster					<u>1,272,182</u>	-
<i>Montana Department of Transportation</i>						
Metro Transport Planning: Areas of Persistent Poverty Program	20.505	08/31/23 - TBD	PENDING		4,606	-
<b>Total Department of Transportation</b>					<u>3,534,818</u>	-
<b>Department of Energy</b>						
<i>Montana Dept. of Health and Human Services</i>						
DOE WEATHERIZATION 23-24	81.042	07/01/23 - 06/30/24	23-028-30027-0	\$210,037	165,504	-
DOE WEATHERIZATION SERC 23-24	81.042	07/01/23 - 06/30/24	23-028-30027-0	\$237,227	7,092	-
<b>Total Department of Energy</b>					<u>172,596</u>	-

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2024

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
<b>Department of Health and Human Services</b>						
<i>Rocky Mountain Development Council, Inc.</i>						
Aging Cluster						
TITLE III-B HOMEMAKER SERVICES	93.044	07/01/23 - 06/30/24	2024-004-013	\$13,615	13,615	
TITLE III-B HOMEMAKER PARK CO	93.044	07/01/23 - 06/30/24	2024-004-013	\$14,756	14,756	
Total Aging Cluster					<u>28,371</u>	<u>-</u>
TITLE III-E RESPITE / CAREGIVER SUPPORT	93.052	07/01/23 - 06/30/24	2024-004-013	\$22,298	22,298	
TITLE III-E RESPITE - PARK COUNTY	93.052	07/01/23 - 06/30/24	2024-004-013	\$15,446	15,446	
TITLE III-E SHIP	93.052	07/01/23 - 06/30/24	2024-004-013	\$27,783	27,783	
Total National Family Caregiver Support					<u>65,527</u>	<u>-</u>
STATE HEALTH INSURANCE ASSISTANCE PROGRAM	93.324	07/01/23 - 06/30/24	2024-004-013	\$32,355	32,355	-
<i>Missoula Aging Services (Area XI Agency on Aging)</i>						
SENIOR MEDICARE PATROL 22-23	93.048	06/01/24 - 05/31/25	None: MOU	\$12,000	1,432	
SENIOR MEDICARE PATROL 23-24	93.048	06/01/23 - 05/31/24	None: MOU	\$13,364	13,364	
Total Senior Medicare Patrol					<u>14,796</u>	<u>-</u>
<i>Montana Dept. of Health and Human Services</i>						
DETECTION & MITIGATION OF COVID IN HOMELESS SERVICE SITES	93.323	8/1/2019 - 7/31/2022		\$10,264	10,251	-
Total Detection & Mitigation of COVID in Homeless Service Sites					<u>10,251</u>	<u>-</u>
<i>Montana Dept. of Health and Human Services</i>						
CSBG 23	93.569	10/01/22 - 09/30/24	23-028-10007-0	\$370,084	370,084	3,145
CSBG CARES	93.569	05/01/2020 - 09/30/2023	21-028-19047-0	\$417,632	45,443	
Total CSBG					<u>415,527</u>	<u>3,145</u>
<i>Direct</i>						
Head Start Cluster						
HEAD START 23-24	93.600	04/01/23 - 03/31/24	08CH010871-05	\$1,944,381	1,556,938	
In-Kind					165,397	
HEAD START 24-25	93.600	04/01/24 - 03/31/25	08CH012523-01	\$1,916,239	447,338	
In-Kind					11,880	
<i>Less Program Income and In-Kind</i>						
Total Head Start Cluster					<u>(177,277)</u>	<u>-</u>
					<u>2,004,276</u>	<u>-</u>

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2024

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
<b>Department of Health and Human Services, continued</b>						
<i>Montana Dept. of Health and Human Services</i>						
LIHEAP CLIENT EDUCATION/ADVOCACY 22-23	93.568	10/01/22 - 09/30/24	23-028-13007-0	\$56,639	55,670	
LIHEAP OUTREACH 22-23	93.568	10/01/22 - 09/30/24	23-028-13007-0	\$35,133	34,928	
LIHEAP ADMINISTRATION 22-23	93.568	10/01/22 - 09/30/24	23-028-13007-0	\$70,675	59,553	
LIHEAP CLIENT EDUCATION/ADVOCACY 22-23	93.568	10/01/23 - 09/30/25	24-028-13007-0	\$63,502	-	
LIHEAP OUTREACH 22-23	93.568	10/01/23 - 09/30/25	24-028-13007-0	\$35,133	-	
LIHEAP ADMINISTRATION 22-23	93.568	10/01/23 - 09/30/25	24-028-13007-0	\$79,045	-	
LIHEAP CONTINGENCY REVOLVING FUND 22-23	93.568	11/10/22 - 11/08/23	22-028-11007-0	REIMB	-	
LIHEAP CONTINGENCY REVOLVING FUND 23-24	93.568	11/9/23 - 11/10/2024	23-028-11007-0	REIMB	75,293	
LIHEAP CONTINGENCY REVOLVING ARPA	9.3568	10/01/21 - 09/30/23	21-028-19053-0	REIMB	-	
LIHEAP WEATHERIZATION 22-23	93.568	07/01/22 - 09/30/23	22-028-16007-0	\$350,697	48,541	
LIHEAP WEATHERIZATION 23-24	93.568	07/01/23 - 09/30/24	23-028-16007-0	\$350,697	156,841	
Total LOW INCOME HOME ENERGY ASSISTANCE PGM					<u>430,826</u>	<u>-</u>
<i>Action Inc</i>						
CHAFEE FOSTER CARE INDEPENDENCE	93.674	07/01/23 - 06/30/24	240302471RA	\$ 112,227	112,227	-
<i>Montana Dept. of Health and Human Services</i>						
RYAN WHITE PART B HIV CARE FORMULA GRANT	93.917	04/01/23 - 03/31/24	23-07-4-51-310-0	\$23,550	15,477	
RYAN WHITE PART B HIV CARE FORMULA GRANT	93.917	04/01/24 - 03/31/25	21-07-4-51-310-0	\$23,550	3,609	
Total HIV Care Formula Grant					<u>19,086</u>	<u>-</u>
PROJECTS FOR ASSISTANCE IN TRANSITION FROM HOMELESSNESS	93.150	7/1/2023 - 6/30/2024	22-102-74130-0	\$49,917	49,917	-
SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT (PATH)	93.959	7/1/2023 - 6/30/2024	22-332-74130-0	\$50,000	49,990	-
SAMHSA MENTAL HEALTH BLOCK GRANT ARPA (PATH)	93.958	7/1/2023 - 6/30/2024	22-102-74130-0	\$50,000	50,000	
SAMHSA MENTAL HEALTH BLOCK GRANT (PATH)	93.958	7/1/2023 - 6/30/2024	22-102-74130-0	\$83,417	83,417	
SAMHSA MENTAL HEALTH BLOCK GRANT (DROP IN CENTER)	93.958	07/01/22 - 09/30/23	21-102-74081-0	\$156,250	10,703	-
SAMHSA MENTAL HEALTH BLOCK GRANT (DROP IN CENTER)	93.958	10/01/23 - 09/30/24	22-102-74081-0	\$180,000	127,072	
<b>Total Department of Health and Human Services</b>					<u>3,504,341</u>	<u>3,145</u>

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2024

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
<b>Corporation for National and Community Service</b>						
<i>Direct</i>						
RSVP 2023-24	94.002	04/01/23 - 03/31/24	21SRDMT002	\$86,161	66,732	
Match					32,388	
RSVP 2024-25	94.002	4/1/24 - 3/31/25	21SRDMT003	\$88,661	19,915	
Match					18,061	
<i>Less Match</i>						
SENIOR DEMONSTRATION PROGRAM	94.017	4/01/22 - 03/31/24	22SDDMT001	\$200,000	120,687	
Match					-	
<i>Less Match</i>						
					-	
<b>Total Corporation for National and Community Service</b>					<u>207,334</u>	<u>-</u>
<b>Department of Agriculture</b>						
<i>Montana Dept. of Health and Human Services</i>						
Child and Adult Care Food Program 23-24	10.558	04/01/23 - 03/31/24	HS 04087C		51,879	
Child and Adult Care Food Program 24-25	10.558	04/01/24 - 03/31/25	HS 04087C		16,594	
					<u>68,473</u>	<u>-</u>
<i>Montana Office of Public Instruction</i>						
Child Nutrition Cluster						
Summer Food Service Program for Children '23	10.559	10/01/22 - 09/30/23	16-6512		51,251	
Summer Food Service Program for Children '24	10.559	10/01/23 - 09/30/24	16-6512		21,407	
Total Child Nutrition Cluster					<u>72,658</u>	<u>-</u>
<i>Montana Dept. of Health and Human Services</i>						
Food Distribution Cluster						
Commodity Supplemental Food Program 23-24	10.565	10/01/22 - 09/30/23	23-027-21002-0		51,636	
Commodity Supplemental Food Program 24-25	10.565	10/01/23 - 09/30/24	24-027-21002-0		151,437	
Total Food Distribution Cluster					<u>203,073</u>	<u>-</u>
Montana Food Bank Network						
The Emergency Food Assistance Program						
TEFAP Reach and Resiliency Grant Round 2 (Headwaters Food Bank)	10.568	6/1/2023 - 12/31/2024	MOU	\$7,500	955	
TEFAP Reach and Resiliency Grant Round 2 (Gallatin Food Bank)	10.568	6/1/2023 - 6/30/2025	MOU	\$43,538	43,538	
					<u>44,493</u>	
<b>Total Department of Agriculture</b>					<u>388,697</u>	<u>-</u>
<b>TOTAL FEDERAL AWARDS EXPENDED</b>					<u>\$ 11,402,979</u>	<u>\$ 3,145</u>
<b>LOAN AND LOAN GUARANTEES</b>				Principal Repayment	Amount Owed June 30, 2024	
<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, 2024

**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, 2024. 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, 2024, for the following programs:

Department of Health and Human Services:

Head Start	<u>\$ 177,277</u>
Retired and Senior Volunteer Program	<u>\$ 50,449</u>

**NOTE 5. LOAN AND LOAN GUARANTEES**

HRDC has one direct loan guaranteed by the U.S. Department of Housing, Assistance Listing No. 14.181, with a balance of \$438,100 at June 30, 2024.

**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, 2024, 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 January 23, 2025.

**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  
January 23, 2025

**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, 2024. 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, 2024.

***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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

*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  
January 23, 2025

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2024

**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 Number</u>
State and Local Fiscal Recovery Funds ARPA	21.027
Formula Grants for Other Than Urbanized Areas	20.509
Federal Transit Cluster	20.526
Home Investment Partnership Program - Colorado Apts	14.239

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2024

**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**

None reported.