

District 7 Human Resources
Development Council
Audited Financial Statements
For the Years Ended
June 30, 2025 and 2024

DISTRICT 7 HUMAN RESOURCES DEVELOPMENT COUNCIL

TABLE OF CONTENTS

	<u>Page(s)</u>
Independent Auditor's Report -----	1 to 3
 FINANCIAL STATEMENTS	
Statements of Financial Position -----	4 and 5
Statements of Activities -----	6
Statements of Functional Expenses -----	7 and 8
Statements of Cash Flows -----	9 and 10
Notes to the Financial Statements -----	11 to 26
 Supplemental Schedules	
Statements of Net Assets and/or Statements of Revenues, Expenses, and Changes in Net Assets	
Notes to the Supplemental Schedules -----	27
Community Services Block Grant -----	28
Crow Commodities Distribution -----	29
Crow Food Distribution Program -----	30
FEMA – Big Horn County -----	31
Child Care and Development Block Grant -----	32
Child and Adult Care Food Program -----	33
Weatherization Assistance -----	34 to 39
Northwestern Energy Free Weatherization -----	40
Furnace and Water Heater Safety & Efficiency Program -----	41
Energy Share MDU Weatherization -----	42
Low Income Energy Assistance Program -----	43 to 45
Energy Share Fuel Fund -----	46

DISTRICT 7 HUMAN RESOURCES DEVELOPMENT COUNCIL

TABLE OF CONTENTS, Continued

Supplemental Schedules, Continued

Statements of Net Assets and/or Statements of Revenues, Expenses, and Changes in Net Assets, Continued

	<u>Page(s)</u>
Workforce Investment Act – Youth -----	47 and 48
HOPE 3 Sales Fund-----	49
Section 8 Housing Program-----	50
Emergency Solutions Grant – Shelter -----	51
HOPWA Plus Grant -----	52
HUD – Youth Demonstration Project-----	53

Single Audit Section

Schedule of Expenditures of Federal Awards -----	54 to 58
Notes to the Schedule of Expenditures of Federal Awards -----	59
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> -----	60 and 61
Independent Auditor’s Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance -----	62 to 64
Summary Schedule of Findings and Questioned Costs -----	65 and 66

INDEPENDENT AUDITOR'S REPORT



CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
District 7 Human Resources Development Council
Billings, Montana

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of District 7 Human Resources Development Council, which comprise the statements of financial position as of June 30, 2025 and 2024, and the related 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 financial statements referred to above present fairly, in all material respects, the financial position of District 7 Human Resource Development Council as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 District 7 Human Resources Development Council 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 District 7 Human Resources Development Council'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.
- 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 District 7 Human Resources Development Council'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 audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the accompanying Supplemental Schedules of Statements of Net Assets and/or Statements of Revenues, Expenses, and Changes in Net Assets (Supplemental Schedules) as listed in the Table of Contents, are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and Supplemental Schedules are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 7, 2026 on our consideration of District 7 Human Resources Development Council'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 District 7 Human Resources Development Council'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 District 7 Human Resources Development Council's internal control over financial reporting and compliance.

Carver Florek & James, CPA's

Carver Florek & James, CPA's

Missoula, Montana

January 7, 2026

FINANCIAL STATEMENTS

DISTRICT 7 HUMAN RESOURCES DEVELOPMENT COUNCIL
STATEMENTS OF FINANCIAL POSITION
As of June 30, 2025 and 2024

ASSETS	<u>2025</u>	<u>2024</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,252,325	\$ 1,735,330
Accounts receivable	21,433	62,982
Prepaid expenses	4,021	17,411
Inventory	39,133	33,031
Grants receivable	<u>802,696</u>	<u>850,045</u>
TOTAL CURRENT ASSETS	<u>\$ 3,119,608</u>	<u>\$ 2,698,799</u>
LAND, BUILDING, AND EQUIPMENT		
Land	\$ 225,028	\$ 239,002
Buildings, net	411,980	473,647
Building improvements, net	0	273
Equipment, Net	94	94
Grant equipment subject to right of rescission, net	<u>379,206</u>	<u>535,871</u>
TOTAL LAND, BUILDING, AND EQUIPMENT	<u>\$ 1,016,308</u>	<u>\$ 1,248,887</u>
OTHER NON-CURRENT ASSETS		
Operating lease right-of-use asset	\$ 88,084	\$ 128,326
Loans receivable, net of allowance of \$0 and \$3,092 as of June 30, 2025 and 2024 respectively	0	0
TOTAL OTHER NON-CURRENT ASSETS	<u>\$ 88,084</u>	<u>\$ 128,326</u>
TOTAL ASSETS	<u>\$ 4,224,000</u>	<u>\$ 4,076,012</u>

The accompanying notes are an integral part of these financial statements

DISTRICT 7 HUMAN RESOURCES DEVELOPMENT COUNCIL
STATEMENTS OF FINANCIAL POSITION, Continued
As of June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accrued payroll	\$ 203,161	\$ 225,556
Accounts payable	222,732	295,287
Accrued leave payable	314,012	330,972
Deferred revenues and other support	114,980	132,519
Current portion of operating lease liabilities	43,138	40,242
Current portion of long-term debt	<u>17,009</u>	<u>15,726</u>
TOTAL CURRENT LIABILITIES	\$ 915,032	\$ 1,040,302
LONG- TERM LIABILITIES		
Operating lease liabilities	\$ 44,946	\$ 88,084
Long-term debt, net of current portion	<u>183,667</u>	<u>200,749</u>
TOTAL LONG-TERM LIABILITIES	\$ 228,613	\$ 288,833
TOTAL LIABILITIES	\$ 1,143,645	\$ 1,329,135
NET ASSETS		
Net assets, without donor restrictions		
Undesignated	\$ 2,270,481	\$ 1,829,851
Grant designated	<u>379,206</u>	<u>535,871</u>
	<u>2,649,687</u>	<u>2,365,722</u>
Net assets, with donor restrictions	<u>430,668</u>	<u>381,155</u>
TOTAL NET ASSETS	\$ 3,080,355	\$ 2,746,877
TOTAL LIABILITIES AND NET ASSETS	\$ 4,224,000	\$ 4,076,012

The accompanying notes are an integral part of these financial statements

DISTRICT 7 HUMAN RESOURCES DEVELOPMENT COUNCIL
STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2025 and 2024

NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>2025</u>	<u>2024</u>
REVENUE AND SUPPORT		
Program grants	\$ 7,124,589	\$ 8,501,431
Fees for service	983,114	612,667
Contributions	7,694	23,901
Interest	57,846	60,449
Gain on sale of assets	210,115	7,211
Miscellaneous	58,512	30,882
Rental income	35,829	41,339
In-kind contributions	225	365
Net assets released from restrictions	<u>487</u>	<u>528</u>
TOTAL REVENUE AND SUPPORT	\$ 8,478,411	\$ 9,278,773
EXPENSES		
Program		
Community development	\$ 302,904	\$ 262,249
Emergency food and housing	1,693,373	1,585,046
Energy programs	3,045,432	2,815,683
Employment assistance	1,116,055	1,840,754
Family development	1,269,318	1,727,738
Fundraising	134	3,152
General and administrative	<u>767,230</u>	<u>858,133</u>
TOTAL EXPENSES	\$ 8,194,446	\$ 9,092,755
Change in net assets without donor restrictions	\$ 283,965	\$ 186,018
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	\$ 50,000	\$ 50,000
Net assets released from restriction	<u>(487)</u>	<u>(528)</u>
Change in net assets with donor restrictions	<u>\$ 49,513</u>	<u>\$ 49,472</u>
Change in total net assets	<u>\$ 333,478</u>	<u>\$ 235,490</u>
Net assets, beginning of year	<u>\$ 2,746,877</u>	<u>\$ 2,511,387</u>
Net assets, end of year	<u>\$ 3,080,355</u>	<u>\$ 2,746,877</u>

The accompanying notes are an integral part of these financial statements

DISTRICT 7 HUMAN RESOURCES DEVELOPMENT COUNCIL
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2025

	Community Development	Emergency Food and Housing	Energy Programs	Employment Assistance	Family Development	TOTAL
PROGRAM						
Direct participant assistance	\$ 659	\$ 632,293	\$ 2,192,489	\$ 130,795	\$ 632,689	\$ 3,588,925
Salaries and fringe benefits	54,731	859,037	482,921	781,846	520,209	2,698,744
Space	37,869	79,102	85,932	93,182	36,204	332,289
Depreciation	98,006	21,797	79,466	23,693	14,786	237,748
Travel and training	42,875	15,481	64,778	9,777	17,347	150,258
Supplies	147	15,676	31,889	13,096	12,028	72,836
Contract & direct services	59,865	43,403	65,279	34,638	18,997	222,182
Communications	3,886	13,110	16,848	15,301	9,692	58,837
Equipment rental and repairs	1,574	10,459	20,762	9,931	5,774	48,500
Interest	3,234	2,998	2,789	3,796	1,592	14,409
Returned funds	0	0	2,129	0	0	2,129
In-kind	58	17	150	0	0	225
Total program	\$ 302,904	\$ 1,693,373	\$ 3,045,432	\$ 1,116,055	\$ 1,269,318	\$ 7,427,082
Fundraising activities	\$ 134	\$ 0	\$ 0	\$ 0	\$ 0	\$ 134
GENERAL AND ADMINISTRATIVE						
Salaries and fringe benefits	\$ 8,155	\$ 161,819	\$ 173,461	\$ 144,209	\$ 90,976	\$ 578,620
Contract services	21,131	27,152	32,687	26,167	22,205	129,342
Supplies and communications	855	2,747	2,954	2,522	2,048	11,126
Space	729	4,139	5,707	4,433	2,927	17,935
Travel and training	9,099	7,282	304	259	211	17,155
Equipment rental and repairs	283	1,942	2,015	1,721	1,397	7,358
Depreciation	503	814	1,009	1,023	724	4,073
Interest	5	368	457	463	328	1,621
Total general and administrative	\$ 40,760	\$ 206,263	\$ 218,594	\$ 180,797	\$ 120,816	\$ 767,230
TOTAL EXPENSES	\$ 343,798	\$ 1,899,636	\$ 3,264,026	\$ 1,296,852	\$ 1,390,134	\$ 8,194,446

The accompanying notes are an integral part of these financial statements

DISTRICT 7 HUMAN RESOURCES DEVELOPMENT COUNCIL
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2024

PROGRAM	Community Development	Emergency Food and Housing	Energy Programs	Employment Assistance	Family Development	TOTAL
Direct participant assistance	\$ 669	\$ 586,925	\$ 2,024,383	\$ 149,422	\$ 420,378	\$ 3,181,777
Salaries and fringe benefits	64,074	797,376	444,376	1,407,500	1,097,856	3,811,182
Space	22,653	90,210	75,639	149,256	76,337	414,095
Depreciation	71,627	12,753	79,783	34,150	21,016	219,329
Travel and training	21,978	19,206	50,386	10,932	22,383	124,885
Supplies	4,434	16,538	67,395	19,192	27,013	134,572
Contract & direct services	69,496	35,633	55,953	37,322	31,460	229,864
Communications	5,741	16,513	15,576	15,724	21,590	75,144
Equipment rental and repairs	677	8,702	1,009	13,816	7,926	32,130
Interest	560	1,165	1,183	3,440	1,779	8,127
In-kind	340	25	0	0	0	365
Total program	<u><u>\$ 262,249</u></u>	<u><u>\$ 1,585,046</u></u>	<u><u>\$ 2,815,683</u></u>	<u><u>\$ 1,840,754</u></u>	<u><u>\$ 1,727,738</u></u>	<u><u>\$ 8,231,470</u></u>
Fundraising activities	\$ 3,152	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,152
GENERAL AND ADMINISTRATIVE						
Salaries and fringe benefits	\$ 8,773	\$ 125,790	\$ 129,206	\$ 210,776	\$ 175,381	\$ 649,926
Contract services	12,855	23,905	27,790	36,965	34,726	136,241
Supplies and communications	3,365	2,435	2,537	4,153	3,427	15,917
Space	553	2,696	3,949	3,714	5,219	16,131
Travel and training	22,578	109	113	185	153	23,138
Equipment rental and repairs	278	1,258	1,291	2,115	1,744	6,686
Depreciation	559	1,217	1,385	3,374	2,001	8,536
Interest	102	222	253	616	365	1,558
Total general and administrative	<u><u>\$ 49,063</u></u>	<u><u>\$ 157,632</u></u>	<u><u>\$ 166,524</u></u>	<u><u>\$ 261,898</u></u>	<u><u>\$ 223,016</u></u>	<u><u>\$ 858,133</u></u>
TOTAL EXPENSES	<u><u>\$ 314,464</u></u>	<u><u>\$ 1,742,678</u></u>	<u><u>\$ 2,982,207</u></u>	<u><u>\$ 2,102,652</u></u>	<u><u>\$ 1,950,754</u></u>	<u><u>\$ 9,092,755</u></u>

The accompanying notes are an integral part of these financial statements

DISTRICT 7 HUMAN RESOURCES DEVELOPMENT COUNCIL
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from/for:		
Grantors	\$ 7,204,399	\$ 8,955,077
Services	1,024,663	578,631
Other	58,512	30,882
Rents	35,829	41,339
Interest	57,846	60,449
Contributions	7,694	23,901
Cash paid to/for:		
Employees	(3,316,719)	(4,498,753)
Suppliers, vendors and participants	(4,724,273)	(4,358,065)
Interest	<u>(16,030)</u>	<u>(9,685)</u>
Net cash flows from operating activities	<u>\$ 331,921</u>	<u>\$ 823,776</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for Purchase of Equipment	\$ (23,216)	\$ (481,477)
Cash received from sale of assets	<u>224,089</u>	<u>7,211</u>
Purchase of Capital Assets		
Net cash flows from investing activities	<u>\$ 200,873</u>	<u>\$ (474,266)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on long-term debt	\$ (15,799)	\$ (5,947)
Loan Proceeds Received	<u>0</u>	<u>222,422</u>
Net cash flows from financing activities	<u>\$ (15,799)</u>	<u>\$ 216,475</u>
Net change in cash and cash equivalents	\$ 516,995	\$ 565,985
Cash and cash equivalents, beginning of year	<u>1,735,330</u>	<u>1,169,345</u>
Cash and cash equivalents, end of year	<u>\$ 2,252,325</u>	<u>\$ 1,735,330</u>

The accompanying notes are an integral part of these financial statements

DISTRICT 7 HUMAN RESOURCES DEVELOPMENT COUNCIL
STATEMENTS OF CASH FLOWS, Continued
For the Years Ended June 30, 2025 and 2024

RECONCILIATION OF CHANGE IN NET ASSETS
 TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	2025	2024
Change in total net assets	\$ 333,478	\$ 235,490
<i>Adjustments to reconcile change in net assets to net cash flows from operating activities:</i>		
Items not affecting cash:		
Depreciation	241,821	227,865
Gain on Sale of Assets	(210,115)	(7,211)
(Increase)/Decrease in:		
Accounts receivable	41,549	(34,036)
Prepaid expenses and inventory	7,288	(12,073)
Grants receivable	47,349	392,594
Operating lease right-of-use Asset	40,242	36,986
Increase/(Decrease) in:		
Accrued payroll	(22,395)	(42,122)
Accounts payable	(72,555)	45,871
Accrued leave payable	(16,960)	6,346
Operating lease liabilities	(40,242)	(36,986)
Deferred liabilities	(17,539)	11,052
Net cash flows from operating activities	<u><u>\$ 331,921</u></u>	<u><u>\$ 823,776</u></u>

The accompanying notes are an integral part of these financial statements

DISTRICT 7 HUMAN RESOURCES DEVELOPMENT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2025 and 2024

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization Structure:

District 7 Human Resources Development Council (the HRDC) is a not-for-profit corporation organized under Internal Revenue Code Section 501(c)(3). The HRDC is located in Billings, Montana and administers a variety of federal grants, State of Montana sub-grants and contracts which provide services and activities designed to impact poverty and promote self-sufficiency. The HRDC's service area includes Yellowstone, Big Horn, Carbon, Stillwater, and Sweet Grass counties. The Board of Trustees is composed of individuals from private industry, the public sector, and low-income representatives.

Basis of Accounting:

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

Cash and Cash Equivalents:

For purposes of the statement of cash flows, the HRDC considers all unrestricted highly liquid investments with an original maturity of three months or less to be cash equivalents.

Receivables:

Accounts receivable represents miscellaneous amounts owed to the HRDC for services and are reported at unpaid principle balances less an allowance for uncollectible accounts. Allowances for uncollectible accounts are a percentage of the receivables based on past collection history. For those receivables considered fully collectible, no provision is made for bad debts. Accounts receivable at June 30, 2025 and 2024 amounted to \$21,433 and \$62,982, respectively. All amounts were considered collectible; therefore, no allowance for uncollectible accounts was considered necessary as of June 30, 2025 and 2024.

Grants receivable represents the balance of earned grant funds not received in cash. Most grants allow monthly draw-downs of cash which provide operating cash flows for program operations.

Loans receivable relates to the Home Funds Program which provided no-payment deferred home loans through the Montana Department of Commerce. (See Note 4)

DISTRICT 7 HUMAN RESOURCES DEVELOPMENT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2025 and 2024

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

Land, Buildings and Equipment

The HRDC capitalizes equipment purchased with HRDC funds which has a purchase price of at least \$5,000 and an expected life of one year or more at cost. Straight-line depreciation is used over estimated lives of one to twenty years. Depreciation is recorded and allocated to the programs according to the approved allocation plan. The HRDC land and building are carried at cost and are the collaterals under the Mortgage Payable.

Compensated Absences:

The HRDC follows generally accepted accounting principles when accounting for compensated absences. Those principles require a liability to be accrued for vacation benefits that employees have earned but have not yet taken. However, it generally does not require a liability to be accrued for future sick pay benefits, holidays and similar compensated absences until employees are actually absent.

Eligible employees may accumulate vacation and sick leave up to 480 hours. Upon termination, employees are paid 100% of their accrued vacation and may be paid for one quarter of their unused sick leave, up to 120 hours.

The HRDC records a liability and expense for vacation as it is earned. As of June 30, 2025 and 2024, the HRDC's liabilities include \$237,959 and \$250,795, respectively, for accumulated vacation. The HRDC records a liability and expense for 25% of accrued sick leave. As of June 30, 2025 and 2024, the HRDC recorded a sick leave liability of \$49,915 and \$51,935 respectively. The HRDC accrued related payroll taxes equaling \$26,138 and \$28,242 as of June 30, 2025 and 2024, respectively.

Revenue Recognition:

Contract revenue, grant revenue and other revenues are recognized when earned. Cash contributions are recognized when received. The HRDC does not receive pledges in its fund-raising activities.

DISTRICT 7 HUMAN RESOURCES DEVELOPMENT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2025 and 2024

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

Revenue Recognition, Continued:

In-kind revenue represents contributed goods and services that create or enhance non-financial assets or require specialized skills, and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by contribution. These contributions are valued at their estimated fair market value at the date of donation. Various individuals and organizations contributed \$225 and \$365 for program activities to the HRDC for the years ended June 30, 2025 and 2024, respectively. These contributions consisted of operating supplies, items for clients, health care, and fundraising materials and facilities. Volunteered time to assist the HRDC has not been recorded because these contributed services do not meet the requirements for recognition under generally accepted accounting principles.

Expense Allocation and Classification:

The HRDC has a cost allocation plan under which expenses are charged to individual programs on the following basis:

- Administrative and clerical costs are allocated on the basis of direct labor hours.
- Management and general expenses are allocated on the basis of direct labor hours.
- Building and occupancy costs are allocated on the basis of square footage.

Expenses of the individual programs are classified by function. The primary functions utilized by the HRDC are:

Direct services and program operations are expenses paid for direct goods or services for clients or are directly associated with client assistance. Examples include: rent, fuel payments, day care, work experience, weatherization, direct program staff and related expenses.

Fundraising expenses are costs which relate to fundraising activities for the operation of HRDC programs. Examples include: contracted services and space, staff and the related expenses.

DISTRICT 7 HUMAN RESOURCES DEVELOPMENT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2025 and 2024

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

Expense Allocation and Classification, Continued:

General & administrative expenses allow the HRDC to operate and provide services to clients that are not directly attributed to client services. General and administrative expenses consist of the common costs associated with the general management of the HRDC. These costs are accumulated in cost centers and then are allocated to the various programs based on the approved allocation plan. Examples include: building, secretarial and accounting costs.

Fund Accounting and Program Groups:

Resources for various activities are classified for accounting and grant reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund. However, in the accompanying financial statements, funds that have similar characteristics have been combined into program groups and inter-fund balances have been eliminated. The HRDC's primary program groups and their related purposes are summarized as follows:

Community Development programs provide community services, loan programs, and the general operations of the HRDC not accounted for elsewhere.

Emergency Food and Housing programs provide the distribution of commodities, housing assistance, emergency food and shelter, and indigent burial services.

Energy programs provide weatherization and fuel assistance.

Employment Assistance programs provide job counseling, career selection and prepare the eligible economically disadvantaged youth and adults for entry into the workplace.

Family Development programs provide childcare assistance and dependent care food.

Advertising Costs:

Costs incurred for outreach and advertising are expensed as incurred. The HRDC incurred outreach and advertising costs of \$9,713 and \$20,563 for the years ended June 30, 2025 and 2024, respectively.

DISTRICT 7 HUMAN RESOURCES DEVELOPMENT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2025 and 2024

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

Net Asset Classification:

Net assets without donor restrictions represent net amounts that have been earned and expended according to contract restrictions and net amounts from generally unrestricted activities. *Grant designated net assets* represents the book value of equipment purchased with federal funds.

Net assets with donor restrictions represent net assets subject to donor- (or certain grantor-) imposed restrictions. The HRDC had \$430,668 and \$381,155 of net assets with donor restrictions as of June 30, 2025 and 2024, respectively, relating to contributions for energy assistance.

Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support. There were no net assets restricted in perpetuity.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires that management make estimates and assumptions that affect the reported assets, liabilities, revenues, and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Risks:

The HRDC receives a substantial portion of its revenue from federal grants and contracts. A significant reduction in these revenues, should such an event occur, would have an effect on the HRDC's programs and activities. During the fiscal years ending June 30, 2025 and 2024, the HRDC expended \$5,807,008 and \$8,082,492 in federal grant awards. Program grants revenue represents 68.8% and 86.6% of the total revenue for the years ended June 30, 2025 and 2024, respectively.

Income Taxes:

Provisions for income taxes have not been recorded in these financial statements because the HRDC believes it had no net income unrelated to its exempt purposes in 2025 and 2024. With few exceptions, the HRDC is no longer subject to U.S. federal or state tax examinations by tax authorities for years before 2022.

DISTRICT 7 HUMAN RESOURCES DEVELOPMENT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2025 and 2024

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

Subsequent Events/Risks and Uncertainties:

Management has evaluated subsequent events through January 7, 2026, the date on which the financial statements were available to be issued.

NOTE 2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 2,252,325	\$ 1,735,330
Accounts receivable	21,433	62,982
Prepaid expenses	4,021	17,411
Grants receivable	802,696	850,045
Less donor restricted cash	<u>(430,668)</u>	<u>(381,155)</u>
 Total financial assets available	 <u>\$ 2,649,807</u>	 <u>\$ 2,284,613</u>

As part of the HRDC's liquidity management plan, they invest cash in excess of daily requirements in government securities.

NOTE 3. CASH AND CASH EQUIVALENTS

The HRDC participates in a Master Sweep Repurchase Agreement through a local financial institution. This agreement, entered into September 2003 and revised April 11, 2012, increases interest earnings while maintaining access to funds. After the close of the business day, the HRDC's available funds are lent to the financial institution for overnight investment and are re-deposited before the opening of business the next day. Interest earnings for the use of these funds are deposited the day after the redeposit. The funds swept in the Agreement are considered to be immediately available funds by the financial institution.

DISTRICT 7 HUMAN RESOURCES DEVELOPMENT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2025 and 2024

NOTE 3. CASH AND CASH EQUIVALENTS, (CONTINUED)

Daily, the financial institution secures the funds from the HRDC with a specific undivided fractional interest in the principal amount of government securities. The securities must be direct obligations of, and guaranteed by, the United States, its agencies, or instrumentalities. Market risks associated with this agreement are similar to market risks of any government security. Potential credit risks associated with this agreement are similar to risks of a creditor if the financial institution defaulted and the security collateral did not perfect with the creditor. The securities have a current market value equal to or greater than the principal amount of the transaction. The funds invested in the Sweep Agreement are not considered deposits and are not insured by the Federal Deposit Insurance Corporation. However, the funds are collateralized by the government securities pledged by the financial institution. Due to the short-term nature of the repurchase agreement, funds swept through the agreement are considered to be cash and cash equivalents. Although Management has expressed no intention to do so, the HRDC may terminate the agreement at any time.

The interest rate was 2.89% and 4.25% for the repurchase agreement account for the years ended June 30, 2025 and 2024, respectively.

The HRDC maintains cash balances primarily in one financial institution located in Billings, Montana. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC). The HRDC's primary financial institution has pledged securities for the federal portions of dollars in excess of the FDIC limits.

DISTRICT 7 HUMAN RESOURCES DEVELOPMENT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2025 and 2024

NOTE 4. LOANS RECEIVABLE

During the year ended June 30, 2011, eleven clients received no-payment deferred home loans through the Montana Department of Commerce. The loans are for a period of 10 to 15 years. The loans are not repayable as long as the home is occupied by the owner, the owner is not in default under any mortgage applicable to the property, and the property is not rented. If all loan requirements are met, the borrower is released from obligations to re-pay the amounts due under the loan. Should a condition be violated, or the home is sold to a non-qualifying occupant, the HRDC shall share in the appreciation in the value of the property and interest and principal payments then become due. The total amount loaned under the program was \$450,898. Due to the high likelihood that these amounts will not be collected in future years under the program, the HRDC has recorded an allowance for the full amount of the loans.

Loan loss reserves have been established at a percentage of the principal amount of the loans outstanding based upon the past history of the type of loan and risk rating of the loan recipients. The HRDC uses multiple bases to estimate the allowance for credit losses including historical losses of loan program, existing economic conditions related to the industry in which the loan recipient operates, collateral and personal guarantees of the loan recipient, loan payment history and actual or likely events which have or will occur. The 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, the HRDC's loan portfolio is generally of inherently higher risk than the typical conventional financing 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.

DISTRICT 7 HUMAN RESOURCES DEVELOPMENT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2025 and 2024

NOTE 4. LOANS RECEIVABLE (CONTINUED)

The following table summarizes the allowance for credit losses and recorded investment in financing receivables for the years ended June 30, 2025 and 2024:

RESIDENTIAL HOUSING:

Financing Receivables, June 30, 2024	\$ 3,092
Allowance for Credit Losses, July 1, 2023	(3,092)
Charge-offs	0
Recoveries	0
Current Year Provision for Losses	0
Allowance for Credit Losses, June 30, 2024	<u><u>(3,092)</u></u>
Financing Receivables, Net, at June 30, 2024	\$ 0
Receivables Individually Evaluated for Impairment	\$ 0
Allowance for Credit Losses	0
Receivables Collectively Evaluated for Impairment	3,092
Allowance for Credit Losses	<u><u>(3,092)</u></u>
Loans Acquired with Deteriorated Credit Quality	0
Allowance for Credit Losses	<u><u>0</u></u>
Financing Receivables, Net, at June 30, 2024	\$ 0
Financing Receivables, June 30, 2025	\$ 0
Allowance for Credit Losses, July 1, 2024	0
Charge-offs	0
Recoveries	0
Current Year Provision for Losses	0
Allowance for Credit Losses, June 30, 2025	<u><u>0</u></u>
Financing Receivables, Net, June 30, 2025	\$ 0
Receivables Individually Evaluated for Impairment	\$ 0
Allowance for Credit Losses	0
Receivables Collectively Evaluated for Impairment	0
Allowance for Credit Losses	0
Loans Acquired with Deteriorated Credit Quality	0
Allowance for Credit Losses	<u><u>0</u></u>
Financing Receivables, Net, June 30, 2025	\$ 0

DISTRICT 7 HUMAN RESOURCES DEVELOPMENT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2025 and 2024

NOTE 4. LOANS RECEIVABLE (CONTINUED)

The following table summarizes credit exposure for credit risk profile by internally assigned grade:

	Residential Housing	
	2025	2024
Pass - Performing Loans	\$ 0	\$ 3,092
Pass with Collateral Deficiencies	0	0
Non-Performing, Collateralized	0	0
Non-Performing, Collateral Deficiencies	0	0
 Total	 \$ 0	 \$ 3,092

An analysis of past due financing receivables for June 30, 2025 and 2024 is as follows:

	Residential Housing	
	2025	2024
30-59 Days Past Due	\$ 0	\$ 0
60-89 Days Past Due	0	0
Greater than 90 Days Past Due	0	0
 Total Past Due	 0	 0
 Current Financing Receivables	 0	 3,092
 Total Financing Receivables	 \$ 0	 \$ 3,092
 Recorded Investment Over 90 Days and Accruing Interest	 \$ 0	 \$ 0
 Non Accrual Status Financing Receivables	 \$ 0	 \$ 0

DISTRICT 7 HUMAN RESOURCES DEVELOPMENT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2025 and 2024

NOTE 4. LOANS RECEIVABLE (CONTINUED)

An analysis of impaired loans for the years ended June 30, 2025 and 2024 is as follows:

	Recorded Investment	Unpaid Principal Balance	Related Allowance	Average Recorded Investment	Interest Income Recognized
June 30, 2025					
With an Allowance Recorded					
Residential	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
June 30, 2024					
With an Allowance Recorded					
Residential	\$ 3,092	\$ 3,092	\$ (3,092)	\$ 0	\$ 0

There were no modified loans for the years ended June 30, 2025 and 2024.

DISTRICT 7 HUMAN RESOURCES DEVELOPMENT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2025 and 2024

NOTE 5. LAND, BUILDINGS, AND EQUIPMENT

Activity for the years ended June 30, 2025 and 2024 is as follows:

	Equipment						Parking Lot	Land		
	Purchased		Building	Improvements	Building	Improvements				
	Equipment	With Grant								
June 30, 2025										
Land, Building, and Equipment										
Balance, July 1, 2024	\$ 127,948	\$ 1,509,362	\$ 1,841,107	\$ 697,979	\$ 77,820	\$ 239,002				
Additions	0	23,216	0	0	0	0				
Deletions	0	(86,545)	(260,586)	0	0	0		(13,974)		
Balance, June 30, 2025	<u>\$ 127,948</u>	<u>\$ 1,446,033</u>	<u>\$ 1,580,521</u>	<u>\$ 697,979</u>	<u>\$ 77,820</u>	<u>\$ 225,028</u>				
Accumulated Depreciation										
Balance July 1, 2024	\$ 127,854	\$ 973,491	\$ 1,367,460	\$ 697,706	\$ 77,820	\$ 0				
Additions	0	179,881	61,667	273	0	0				
Deletions	0	(86,545)	(260,586)	0	0	0		0		
Balance, June 30, 2025	<u>\$ 127,854</u>	<u>\$ 1,066,827</u>	<u>\$ 1,168,541</u>	<u>\$ 697,979</u>	<u>\$ 77,820</u>	<u>\$ 0</u>				
June 30, 2024										
Balance, July 1, 2023	\$ 127,948	\$ 1,320,625	\$ 1,575,116	\$ 697,979	\$ 77,820	\$ 239,002				
Additions	0	215,486	265,991	0	0	0				
Deletions	0	(26,749)	0	0	0	0		0		
Balance, June 30, 2024	<u>\$ 127,948</u>	<u>\$ 1,509,362</u>	<u>\$ 1,841,107</u>	<u>\$ 697,979</u>	<u>\$ 77,820</u>	<u>\$ 239,002</u>				
Accumulated Depreciation										
Balance July 1, 2023	\$ 127,854	\$ 833,931	\$ 1,342,277	\$ 661,333	\$ 77,820	\$ 0				
Additions	0	166,309	25,183	36,373	0	0				
Deletions	0	(26,749)	0	0	0	0		0		
Balance, June 30, 2024	<u>\$ 127,854</u>	<u>\$ 973,491</u>	<u>\$ 1,367,460</u>	<u>\$ 697,706</u>	<u>\$ 77,820</u>	<u>\$ 0</u>				

Equipment purchased with grant funds is subject to rights of rescission of the grantors. Equipment purchased with grant monies are 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. Grant equipment purchases are not considered available for collateral purposes.

Depreciation Expense was \$241,821 and \$227,865 for the years ended June 30, 2025 and 2024, respectively.

DISTRICT 7 HUMAN RESOURCES DEVELOPMENT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2025 and 2024

NOTE 6. DEFERRED LIABILITIES

The HRDC records a grant award as a deferred liability until it is expended for the purpose of the grant, at which time it is recognized as revenue. For financial reporting purposes, deferred revenues and other support represent unearned revenues which correspond with cash advances received for grant contracts. The HRDC has additional grant commitments of \$3,281,166 and \$4,108,387 respectively, as of June 30, 2025 and 2024. The deferred revenues and other support activity are as follows:

	<u>2025</u>	<u>2024</u>
Deferred revenue and support, beginning of year	\$ 132,519	\$ 121,467
Grant awards received	9,070,635	12,201,931
Grant awards expended	<u>(5,807,008)</u>	<u>(8,082,492)</u>
 Gross deferred revenues and support	 3,396,146	 4,240,906
Amounts not received in cash	<u>(3,281,166)</u>	<u>(4,108,387)</u>
Net deferred revenues and support, end of year	<u>\$ 114,980</u>	<u>\$ 132,519</u>

NOTE 7. LONG-TERM DEBT

Long-term debt at June 30, 2025 and 2024 consisted of the following:

	<u>2025</u>	<u>2024</u>
Note payable in monthly payments of \$2,683 including interest at 7.87% at June 30, 2025 and 2024); Resetting to Federal Home Loan Bank 5 year long-term rate plus 3.25% after 60 months; maturing February 2034	\$ 200,676	\$ 216,475
 Total debt	 200,676	 216,475
Less current portion	<u>(17,009)</u>	<u>(15,726)</u>
 \$ 183,667	 <u>\$ 183,667</u>	 <u>\$ 200,749</u>

DISTRICT 7 HUMAN RESOURCES DEVELOPMENT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2025 and 2024

NOTE 7. LONG-TERM DEBT, (CONTINUED)

Annual maturities of long-term debt are as follows:

Years ending June 30,

2026	\$ 17,009
2027	18,397
2028	19,898
2029	21,522
2030	23,278
Thereafter	100,572
Total	<u>\$ 200,676</u>

During the year ended June 30, 2024 the HRDC entered into a loan agreement for a roof improvement. Interest paid on the note for the years ending June 30, 2025 and 2024 was \$16,030 and \$9,685, respectively. The note is secured by the building.

NOTE 8. EMPLOYEE BENEFITS

Employees of the HRDC may participate in a Tax Shelter Annuity Plan (TSA). Employees may participate at the time of employment.

After an initial two-year period, with at least 1,000 hours of service per year, employees are eligible for a 3% match of their gross earnings, provided the employee contributes at least 3%. The employer's match may increase to 6% and 8% depending on years of service. Year-to-year funding of these plans is based upon available resources. The HRDC contributed \$105,501 and \$126,231, respectively, to employee TSAs during the years ended June 30, 2025 and 2024.

DISTRICT 7 HUMAN RESOURCES DEVELOPMENT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2025 and 2024

NOTE 9. OPERATING LEASES/ACCOUNTING CHANGES

The HRDC adopted ASC 842 Accounting for Leases. The HRDC classifies its leases as either operating or capitalized leases. Currently all leases are operating leases on fixed monthly payments. The HRDC has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis. The HRDC leased office equipment under 3 long-term leases for use in its program operations. As a result of the adopting of the new lease accounting guidance, the HRDC recognized right-of-use-assets and lease liabilities of \$88,024 and \$128,326 as of June 30, 2025 and 2024, respectively. Lease expense totaled \$26,471 and \$28,763 for June 30, 2025 and 2024, respectively.

The HRDC rents warehouse and office space for the Food Distribution Program in Hardin, Montana on a month-to-month basis. The monthly rental amount is \$2,000 beginning in February 2019 and increased to \$2,300 in January 2024. The HRDC leases office space in Hardin, Montana, on an annual basis, for the Big Horn County Work Readiness Component. The monthly rental amount is \$2,300 and \$2,150 for calendar years 2025 and 2024, respectively.

The HRDC rents storage and office space for the Weatherization Program in Billings, Montana on a month-to-month basis. The office space for Weatherization staff is for \$670 per month. The storage of Weatherization vehicles and inventory used by the Weatherization Program is for \$1,400 a month through September of 2023, \$1,504 a month through April of 2024, \$1,546 a month through April of 2025, and \$1,589 a month through June of 2025.

The future minimum lease payments under non-cancelable operating leases with terms greater than one year are as follows:

Years ending June 30,

2026	\$ 26,471
2027	24,935
2028	24,544
2029	1,794
2030	0
Total	<u><u>\$ 77,744</u></u>

DISTRICT 7 HUMAN RESOURCES DEVELOPMENT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2025 and 2024

NOTE 10. UNRECORDED VALUE OF SERVICES PROVIDED

The HRDC contracts with various State of Montana departments to determine eligibility, process client benefits and provide administrative and program support. Since the client benefits are distributed directly by the State, the value of these services is not recorded in these financial statements. During the years ended June 30, 2025 and 2024, the HRDC provided administrative and program support for the following direct services (per information provided by the State of Montana):

	<u>2025</u>	<u>2024</u>
Program		
Child Day care assistance	\$ 1,981,215	\$ 5,688,578
Low-income energy assistance	2,683,201	2,750,422
Section 8 housing (estimate)	<u>1,353,225</u>	<u>946,707</u>
Total Financial Assistance	6,017,641	9,385,707
Crow reservation food distribution	<u>268,676</u>	<u>246,489</u>
Total financial and commodity services	<u>\$ 6,286,317</u>	<u>\$ 9,632,196</u>

Child day care assistance provides financial support for an eligible child's day care, while low-income energy assistance provides assistance for heating fuel to qualified house-holds. Clients participating in the Pathways program receive various assistance to prepare them and/or enable them to obtain and maintain employment.

The HRDC distributes food commodities to Crow Reservation eligible households. Section 8 housing provides rental cost subsidies to eligible households and escrow assistance through the Family Self Sufficiency program for those participating households.

NOTE 11. RELATED PARTY TRANSACTIONS

The HRDC performs a bidding process to select companies to provide weatherization contract services for its eligible clientele. Any staff with an apparent or actual conflict of interest are not allowed to participate in the bid evaluations. During the fiscal year ending June 30, 2025 and 2024, one contractor selected under the bid process was a friend of the Weatherization Director. The Weatherization Director was not a participant in the selection or evaluation committee. The total amount paid to the contractor was \$69,980 and \$92,670 for the years ended June 30, 2025 and 2024, respectively.

SUPPLEMENTAL
SCHEDULES

DISTRICT 7 HUMAN RESOURCES DEVELOPMENT COUNCIL
NOTES TO THE SUPPLEMENTAL SCHEDULES
For the Year Ended June 30, 2025

NOTE1. 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. The intention of the HRDC is to show the budget based upon the final budget including all transfers, to provide a more meaningful presentation.

NOTE 2. PROGRAM SCHEDULES

Program schedules are included for all grants, contracts, and projects with ending dates that occurred during the reporting period July 1, 2024 through June 30, 2025. Because the HRDC administers programs with varying ending dates, the schedules that follow are based upon the program period. Many of the programs started in the previous period, but were completed in the current fiscal year and, consequently; amounts shown differ from amounts reported in the accompanying financial statements. Acronyms used are as follows:

CCDBG	Child Care and Development Block Grant
CCDF	Child Care and Development Fund
CDBG	Community Development Block Grant
CRF	Contingency Revolving Fund
CSBG	Community Services Block Grant
DHS	Department of Homeland Security
DOC	Montana Department of Commerce
DOE	U.S. Department of Energy
DOL	Montana Department of Labor
ED	Education
FEMA	Federal Emergency Management Agency
HHS	Montana Department of Public Health and Human Services
HOPWA	Housing Opportunities for Persons with Aids
HUD	U.S. Department of Housing and Urban Development
LIHEAP	Low-Income Home Energy Assistance Program
MDU	Montana Dakota Utilities
N W E	Northwestern Energy
SEP	Subsidized Employment Program
SNAP	Supplemental Nutrition Assistance Program
SSI	Social Security Insurance
TANF	Temporary Assistance for Needy Families
USB	Universal System Benefit
USDA	U.S. Department of Agriculture
VITA	Volunteer Income Tax Assistance
WIA	Workforce Investment Act
WoRC	Work Readiness Component
WX	Weatherization Assistance

Supplemental Schedule
 District 7
 HUMAN RESOURCE DEVELOPMENT COUNCIL, INC.
 Billings, Montana

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

COMMUNITY SERVICES BLOCK GRANT

GRANT PERIOD: January 1, 2023 to September 30, 2024

GRANT NUMBER: 23-028-10005-0

	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUE		
Grant	\$ 531,133	\$ 531,127
Equipment & Space Rental Revenue	51,157	
Interest Income	4,468	
Gain on Equipment Disposal	2,589	
In Kind	300	
	<hr/>	<hr/>
TOTAL REVENUE	531,133	589,641
 EXPENSES		
Salaries & Fringe Benefits	27,507	58,853
Program Operations	104,411	76,484
Travel and Training	14,000	46,140
Equipment/Vehicle Lease	42,000	81,591
Contractual/Consultants	46,500	80,723
Public Awareness/Community	3,798	
Direct Service Costs	7,500	887
Program Enhancement (Transfers Out)	289,215	240,871
In Kind	300	
	<hr/>	<hr/>
TOTAL EXPENSES	531,133	589,647
 REVENUE OVER (UNDER) EXPENSES	0	(6)
 TRANSFER IN		
 NET ASSETS AT 01/01/23		0
 NET ASSETS AT 09/30/24		0

Supplemental Schedule
 District 7
 HUMAN RESOURCE DEVELOPMENT COUNCIL, INC.
 Billings, Montana

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

CROW COMMODITIES DISTRIBUTION

GRANT PERIOD: October 1, 2023 to September 30, 2025

GRANT NUMBER: 24-027-25006-0

	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUE		
Grant	\$ <u>422,656</u>	\$ <u>422,656</u>
TOTAL REVENUES	<u>422,656</u>	<u>422,656</u>
EXPENSES		
Salaries & Fringe Benefits	190,659	190,659
Equipment	124,615	124,615
Occupancy	32,070	32,070
Travel & Training	6,377	6,377
Program Operations	27,189	27,189
Administration	<u>41,746</u>	<u>41,746</u>
TOTAL EXPENSES	<u>422,656</u>	<u>422,656</u>
REVENUE OVER (UNDER) EXPENSES	<u>0</u>	<u>0</u>
TRANSFER IN		
NET ASSETS AT 10/01/23		0
NET ASSETS AT 09/30/25		0

Supplemental Schedule
 District 7
 HUMAN RESOURCE DEVELOPMENT COUNCIL, INC.
 Billings, Montana

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

CROW FOOD DISTRIBUTION PROGRAM NUTRITION EDUCATION

GRANT PERIOD: October 01, 2022 to September 30, 2024

GRANT NUMBER: 23-027-25011-0

	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUE		
Grant	\$ 17,500	\$ 17,500
	<hr/>	<hr/>
TOTAL REVENUE	17,500	17,500
	<hr/>	<hr/>
EXPENSES		
Equipment Purchases	11,883	11,883
Program Operations	2,828	2,828
Administration	2,789	2,789
	<hr/>	<hr/>
TOTAL EXPENSES	17,500	17,500
	<hr/>	<hr/>
REVENUE OVER (UNDER) EXPENSES	0	0
	<hr/>	<hr/>
NET ASSETS AT 05/01/22		0
		<hr/>
NET ASSETS AT 09/30/24		0
		<hr/>

Supplemental Schedule
 District 7
 HUMAN RESOURCE DEVELOPMENT COUNCIL, INC.
 Billings, Montana

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

FEMA - BIG HORN COUNTY

GRANT PERIOD: October 01, 2022 to December 31, 2024

GRANT NUMBER: 41-5530-00

	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUE		
Grant- Big Horn County	\$ 6,195	\$ 6,195
TOTAL REVENUES	<u>6,195</u>	<u>6,195</u>
EXPENSES		
Direct Food	6,071	6,071
Program Cost	<u>124</u>	<u>994</u>
TOTAL EXPENSES	<u>6,195</u>	<u>7,065</u>
REVENUE OVER (UNDER) EXPENSES	<u>0</u>	<u>(870)</u>
TRANSFER IN		<u>870</u>
NET ASSETS AT 11/01/22		<u>0</u>
NET ASSETS AT 12/31/24		<u>0</u>

Supplemental Schedule
 District 7
 HUMAN RESOURCE DEVELOPMENT COUNCIL, INC.
 Billings, Montana

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

CHILD CARE AND DEVELOPMENT BLOCK GRANT
 CHILD CARE SERVICES

GRANT PERIOD: October 1, 2023 to September 30, 2025

GRANT NUMBER: DPHHS 2425CCRR0094

	BUDGET	ACTUAL
REVENUE		
Grant	\$ 1,714,990	\$ 1,411,138
Provider Financial Assistance	36,000	35,945
Fee For Service Revenues	3,432	3,432
Equipment Lease/Rental Revenues	585	585
Other Revenue	<hr/> 1,000	<hr/> 1,000
TOTAL REVENUE	<hr/> 1,750,990	<hr/> 1,452,100
EXPENSES		
Salaries & Fringe Benefits	1,117,883	942,494
Provider Financial Assistance	36,000	35,945
Program Operations	417,982	320,833
Administration	<hr/> 179,125	<hr/> 216,704
TOTAL EXPENSES	<hr/> 1,750,990	<hr/> 1,515,976
REVENUE OVER (UNDER) EXPENSES	<hr/> 0	<hr/> (63,876)
TRANSFER IN		<hr/> 63,876
NET ASSETS AT 10/01/23		<hr/> 0
NET ASSETS AT 09/30/24		<hr/> 0

Supplemental Schedule
 District 7
 HUMAN RESOURCE DEVELOPMENT COUNCIL, INC.
 Billings, Montana

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

CHILD AND ADULT CARE FOOD PROGRAM

GRANT PERIOD: October 1, 2023 to September 30, 2024

GRANT NUMBER: Permanent Agreement

	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUE		
Operating Grant	\$ 69,351	\$ 65,950
Other Revenue	3,373	
Food Grant	<u>381,558</u>	<u>381,558</u>
TOTAL REVENUE	<u>450,909</u>	<u>450,881</u>
EXPENSES		
Provider Food Payments	381,558	383,533
Salaries & Fringe Benefits	42,663	45,919
Program Operations	17,731	14,447
Administration	8,958	8,958
Audit	<u>1,241</u>	
TOTAL EXPENSES	<u>450,909</u>	<u>454,098</u>
REVENUE OVER (UNDER) EXPENSES	<u>0</u>	<u>(3,216)</u>
TRANSFER IN		<u>3,216</u>
NET ASSETS AT 10/01/23		<u>0</u>
NET ASSETS AT 09/30/24		<u>0</u>

Supplemental Schedule
 District 7
 HUMAN RESOURCE DEVELOPMENT COUNCIL, INC.
 Billings, Montana

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

DOE - WEATHERIZATION

GRANT PERIOD: July 1, 2024 to June 30, 2025

GRANT NUMBER: 24-028-30025-0

	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUE		
Grant - DOE	\$ 469,133	\$ 359,926
TOTAL REVENUES	<u>469,133</u>	<u>359,926</u>
EXPENSES		
Program Operations	249,971	241,038
Health and Safety	62,493	26,997
Travel & Training	37,350	20,207
Liability Insurance	19,500	8,314
Readiness	48,995	29,680
Administrative Expenses	<u>50,824</u>	<u>33,966</u>
TOTAL EXPENSES	<u>469,133</u>	<u>360,202</u>
REVENUE OVER (UNDER) EXPENSES	<u>0</u>	<u>(276)</u>
TRANSFER IN		276
NET ASSETS AT 07/01/24		0
NET ASSETS AT 06/30/25		<u>(0)</u>

Supplemental Schedule
 District 7
 HUMAN RESOURCE DEVELOPMENT COUNCIL, INC.
 Billings, Montana

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

DOE - CROW TRIBE WEATHERIZATION

GRANT PERIOD: July 1, 2024 to June 30, 2025

GRANT NUMBER: 24-028-30031-0

	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUE		
Grant-	\$ 31,276	\$ 23,855
	<u>31,276</u>	<u>23,855</u>
EXPENSES		
Program Operations	17,705	18,136
Travel & Training	2,490	1,499
Readiness Program Operations	3,266	250
Health and Safety	4,427	1,623
Administrative Expenses	3,388	2,348
	<u>31,276</u>	<u>23,855</u>
REVENUE OVER (UNDER) EXPENSES	<u>0</u>	<u>0</u>
TRANSFER IN		<u>(0)</u>
NET ASSETS AT 07/01/24		<u>0</u>
NET ASSETS AT 06/30/25		<u>0</u>

Supplemental Schedule
 District 7
 HUMAN RESOURCE DEVELOPMENT COUNCIL, INC.
 Billings, Montana

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

DOE - NORTHERN CHEYENNE TRIBE WEATHERIZATION

GRANT PERIOD: July 1, 2024 to June 30, 2025

GRANT NUMBER: 24-028-30034-0

	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUE		
Grant-	\$ 31,276	\$ 29,432
	<u>31,276</u>	<u>29,432</u>
EXPENSES		
Program Operations	17,705	30,876
Travel & Training	2,490	662
Readiness Program Operations	3,266	3,250
Health and Safety	4,427	6,554
Administrative Expenses	3,388	4,278
	<u>31,276</u>	<u>45,619</u>
REVENUE OVER (UNDER) EXPENSES	<u>0</u>	<u>(16,187)</u>
TRANSFER IN		<u>16,187</u>
NET ASSETS AT 07/01/24		<u>0</u>
NET ASSETS AT 06/30/25		<u>0</u>

Supplemental Schedule
 District 7
 HUMAN RESOURCE DEVELOPMENT COUNCIL, INC.
 Billings, Montana

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

LIHEAP WEATHERIZATION ASSISTANCE

GRANT PERIOD: July 1, 2023 to September 30, 2024

GRANT NUMBER: 23-028-16005-0

LIHEAP		
	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUE		
Grant	\$ 784,776	\$ 522,430
TOTAL REVENUE	<u>784,776</u>	<u>522,430</u>
EXPENSES		
Program Operations	595,299	408,359
Administrative Expenses	78,477	45,952
Travel & Training	26,000	5,477
Liability Insurance	15,000	13,619
Co-Funding	20,000	9,006
Readiness Program Operations	<u>50,000</u>	<u>40,120</u>
TOTAL EXPENSES	<u>784,776</u>	<u>522,533</u>
REVENUE OVER (UNDER) EXPENSES	<u>0</u>	<u>(103)</u>
TRANSFER IN		
NET ASSETS AT 07/01/23		0
NET ASSETS AT 09/30/24		0

Supplemental Schedule
 District 7
 HUMAN RESOURCE DEVELOPMENT COUNCIL, INC.
 Billings, Montana

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

LIHEAP CROW TRIBE WEATHERIZATION ASSISTANCE

GRANT PERIOD: July 1, 2023 to September 30, 2024

GRANT NUMBER: 23-028-16011-0

LIHEAP - CROW

	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUE		
Grant	\$ <u>115,193</u>	\$ <u>111,361</u>
TOTAL REVENUE	<u>115,193</u>	<u>111,361</u>
 EXPENSES		
Program Operations	107,008	107,007
Administrative Expenses	<u>8,185</u>	<u>4,354</u>
TOTAL EXPENSES	<u>115,193</u>	<u>111,361</u>
REVENUE OVER (UNDER) EXPENSES	<u>0</u>	<u>0</u>
 TRANSFER IN		
NET ASSETS AT 07/01/23		0
NET ASSETS AT 09/30/24		0

Supplemental Schedule
 District 7
 HUMAN RESOURCE DEVELOPMENT COUNCIL, INC.
 Billings, Montana

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

LIHEAP NORTHERN CHEYENNE TRIBE WEATHERIZATION ASSISTANCE

GRANT PERIOD: July 1, 2023 to September 30, 2024

GRANT NUMBER: 23-028-16013-0

LIHEAP - CROW

	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUE		
Grant	\$ <u>54,207</u>	\$ <u>33,171</u>
TOTAL REVENUE	<u>54,207</u>	<u>33,171</u>
 EXPENSES		
Program Operations	47,634	30,456
Administrative Expenses	<u>6,573</u>	<u>2,715</u>
TOTAL EXPENSES	<u>54,207</u>	<u>33,171</u>
REVENUE OVER (UNDER) EXPENSES	<u>0</u>	<u>0</u>
TRANSFER IN		0
NET ASSETS AT 07/01/23		0
NET ASSETS AT 09/30/24		0

Supplemental Schedule
 District 7
 HUMAN RESOURCE DEVELOPMENT COUNCIL, INC.
 Billings, Montana

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

NORTHWESTERN ENERGY FREE WEATHERIZATION

CONTRACT PERIOD: January 1, 2024 to December 15, 2024

CONTRACT NUMBER: 24-028-33005-0

	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUE		
Contract	\$ 147,844	\$ 106,610
TOTAL REVENUES	<u>147,844</u>	<u>106,610</u>
EXPENSES		
Program Operations	51,947	66,783
Health & Safety	16,513	12,938
Production Overhead	53,484	19,771
Co-funding	12,950	12,950
Readiness Program Operations	<u>12,950</u>	<u>7,118</u>
TOTAL EXPENSES	<u>147,844</u>	<u>106,610</u>
REVENUE OVER (UNDER) EXPENSES	<u>0</u>	<u>0</u>
TRANSFER IN		
NET ASSETS AT 01/01/24		0
NET ASSETS AT 12/15/24		0

Supplemental Schedule
 District 7
 HUMAN RESOURCE DEVELOPMENT COUNCIL, INC.
 Billings, Montana

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

ENERGY SHARE FURNACE AND WATER HEATER SAFETY & EFFICIENCY PROGRAM

GRANT PERIOD: July 1, 2024 to June 30, 2025

GRANTOR: Energy Share of Montana

	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUE		
Grant	\$ 106,671	\$ 71,360
	<u>TOTAL REVENUES</u>	<u>106,671</u>
	<u>106,671</u>	<u>71,360</u>
EXPENSES		
Furnace & Water Heater Assistance	90,399	59,611
Administrative Expenses	16,272	401
	<u>TOTAL EXPENSES</u>	<u>106,671</u>
	<u>106,671</u>	<u>60,012</u>
REVENUE OVER (UNDER) EXPENSES	<u>0</u>	<u>11,349</u>
TRANSFER OUT		<u>(11,349)</u>
NET ASSETS AT 07/01/24		<u>0</u>
NET ASSETS AT 06/30/25		<u>0</u>

Supplemental Schedule
 District 7
 HUMAN RESOURCE DEVELOPMENT COUNCIL, INC.
 Billings, Montana

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

ENERGY SHARE-MDU WEATHERIZATION

GRANT PERIOD: July 1, 2024 to June 30, 2025

GRANTOR: Energy Share of Montana MDU Weatherization

	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUE		
Grant	\$ 26,793	\$ 26,336
TOTAL REVENUES	<u>26,793</u>	<u>26,336</u>
EXPENSES		
Program Operations	21,970	22,556
Administrative Expenses	<u>4,823</u>	<u>263</u>
TOTAL EXPENSES	<u>26,793</u>	<u>22,819</u>
REVENUE OVER (UNDER) EXPENSES	<u>0</u>	<u>3,516</u>
TRANSFER OUT		(3,516)
NET ASSETS AT 07/01/24		0
NET ASSETS AT 06/30/25		0

Supplemental Schedule
 District 7
 HUMAN RESOURCE DEVELOPMENT COUNCIL, INC.
 Billings, Montana

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

LOW INCOME ENERGY ASSISTANCE PROGRAM

GRANT PERIOD: October 1, 2022 to September 30, 2024

GRANT NUMBER: 23-028-13005-0

	LIHEAP ADMIN	LIHEAP CRF
	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUE		
Grant	\$ 188,319	\$ 188,319
Equipment/Rental Revenues	<u>2,338</u>	<u>2,338</u>
TOTAL REVENUES	<u>188,319</u>	<u>190,657</u>
EXPENSES		
Salaries & Fringe Benefits	88,589	113,955
Program Operations	30,387	28,968
Administrative Expenses	69,343	47,735
Direct Assistance -- Furnace		662,582
Direct Assistance -- Water Heater		234,304
Direct Assistance -- Utilities & Others	<u>98,094</u>	<u>98,094</u>
TOTAL EXPENSES	<u>188,319</u>	<u>190,657</u>
REVENUE OVER (UNDER) EXPENSES	<u>0</u>	<u>0</u>
TRANSFER IN		
NET ASSETS AT 10/01/22		0
NET ASSETS AT 09/30/24		0

Supplemental Schedule
 District 7
 HUMAN RESOURCE DEVELOPMENT COUNCIL, INC.
 Billings, Montana

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

LOW INCOME ENERGY ASSISTANCE PROGRAM - CLIENT ED

GRANT PERIOD: October 1, 2022 to September 30, 2024

GRANT NUMBER: 23-028-13005-0

	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUE		
Grant	\$ 174,346	\$ 121,303
TOTAL REVENUES	174,346	121,303
EXPENSES		
Salaries & Fringe Benefits	144,247	96,029
Program Operations	30,099	25,274
TOTAL EXPENSES	<u>174,346</u>	<u>121,303</u>
REVENUE OVER (UNDER) EXPENSES	<u>0</u>	<u>0</u>
TRANSFER IN		0
NET ASSETS AT 10/01/22		0
NET ASSETS AT 09/30/24		0

Supplemental Schedule
 District 7
 HUMAN RESOURCE DEVELOPMENT COUNCIL, INC.
 Billings, Montana

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

LOW INCOME ENERGY ASSISTANCE PROGRAM - OUTREACH

GRANT PERIOD: October 1, 2022 to September 30, 2024

GRANT NUMBER: 23-028-13005-0

	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUE		
Grant	\$ 51,898	\$ 51,898
TOTAL REVENUES	51,898	51,898
EXPENSES		
Salaries & Fringe Benefits	42,647	40,869
Program Operations	9,251	11,029
TOTAL EXPENSES	<u>51,898</u>	<u>51,898</u>
REVENUE OVER (UNDER) EXPENSES	<u>0</u>	<u>0</u>
TRANSFER IN		0
NET ASSETS AT 10/01/22		0
NET ASSETS AT 09/30/24		0

Supplemental Schedule
 District 7
 HUMAN RESOURCE DEVELOPMENT COUNCIL, INC.
 Billings, Montana

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

ENERGY SHARE FUEL FUND

GRANT PERIOD: July 1, 2024 to June 30, 2025

GRANTOR: Energy Share of Montana

	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUE		
Grant	\$ 1,138,993	\$ 576,645
Grant Service Fees	<u> </u>	<u>73,826</u>
TOTAL REVENUE	<u>1,138,993</u>	<u>650,471</u>
EXPENSES		
Utilities Assistance - Fuel Fund	390,947	22,290
Utilities Assistance - Deposit FF	29,430	18,626
Utilities Assistance - Team	0	2,801
Utilities Assistance - Team Deposit	0	1,628
Utilities Assistance - MDU USB	44,000	38,097
Utilities Assistance - MDU Deposit	1,000	667
Utilities Assistance - NWE USB	506,141	369,500
Utilities Assistance - Yellowstone Valley Electric	26,825	13,555
Utilities Assistance - Stillwater Mine USB	58,957	36,868
Utilities Assistance - Tongue River Electric	14,880	13,173
Utilities Assistance - Unrestricted	0	0
Utilities Assistance - ATLAS USB	66,813	59,440
Program Operations		4,945
Salaries & Fringe Benefits		28,182
Communications		1,545
Occupancy		1,619
Travel & Training		0
Supplies		327
Allocated Common Costs		1,453
Administrative Expenses		<u>7,774</u>
TOTAL EXPENSES	<u>1,138,993</u>	<u>617,546</u>
REVENUE OVER EXPENSES	<u>0</u>	<u>32,925</u>
TRANSFER OUT		<u>(32,925)</u>
NET ASSETS AT 07/01/24		<u>0</u>
NET ASSETS AT 06/30/25		<u>(0)</u>

Supplemental Schedule
 District 7
 HUMAN RESOURCE DEVELOPMENT COUNCIL, INC.
 Billings, Montana

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

WORKFORCE INVESTMENT ACT - YOUTH

GRANT PERIOD: July 1, 2023 to December 31, 2024

GRANT NUMBER: DOL DLISFY20CONWSD_100 Amendment #9

	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUE		
Grant	\$ 286,556	\$ 286,556
	<hr/>	<hr/>
TOTAL REVENUE	286,556	286,556
	<hr/>	<hr/>
EXPENSES		
In-School Youth		
Administration	11,815	11,151
Training & Program Cost	89,212	64,115
Direct Supportive Service Assistance	42,251	5,373
Out-of-School Youth		
Administration	11,815	19,405
Training & Program Cost	89,213	111,966
Direct Supportive Service Assistance	42,250	74,547
	<hr/>	<hr/>
TOTAL EXPENSES	286,556	286,556
	<hr/>	<hr/>
REVENUE OVER (UNDER) EXPENSES	0	0
	<hr/>	<hr/>
NET ASSETS AT 07/01/23		0
	<hr/>	<hr/>
NET ASSETS AT 12/31/24		0
	<hr/>	<hr/>

Supplemental Schedule
 District 7
 HUMAN RESOURCE DEVELOPMENT COUNCIL, INC.
 Billings, Montana

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

WORKFORCE INVESTMENT ACT - YOUTH

GRANT PERIOD: July 1, 2024 to December 31, 2025

GRANT NUMBER: DOL DLISFY20CONWSD_100 Amendment #10

	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUE		
Grant	<u>\$ 293,463</u>	<u>\$ 293,463</u>
TOTAL REVENUE	<u>293,463</u>	<u>293,463</u>
 EXPENSES		
In-School Youth		
Administration	12,666	11,004
Training & Program Cost	87,367	59,523
Direct Supportive Service Assistance	46,700	23,484
Out-of-School Youth		
Administration	12,666	20,128
Training & Program Cost	87,366	107,712
Direct Supportive Service Assistance	<u>46,700</u>	<u>78,519</u>
TOTAL EXPENSES	<u>293,463</u>	<u>300,370</u>
 REVENUE OVER (UNDER) EXPENSES	<u>0</u>	<u>(6,907)</u>
 TRANSFER IN		<u>6,907</u>
 NET ASSETS AT 07/01/24		<u>0</u>
 NET ASSETS AT 12/31/25		<u>(0)</u>

Supplemental Schedule
 District 7
 HUMAN RESOURCE DEVELOPMENT COUNCIL, INC.
 Billings, Montana

HOPE 3 SALES FUND

STATEMENT OF NET ASSETS

As of June 30, 2025

ASSETS

ASSETS

Cash	\$ 10,162
Land Held for Resale	16,000
Land	42,250
House net of Depreciation	<u>1,701</u>
TOTAL ASSETS	<u>70,113</u>

LIABILITIES AND NET ASSETS

LIABILITIES

TOTAL LIABILITIES	<u>0</u>
	<u>0</u>

NET ASSETS

Unrestricted Net Assets	<u>70,113</u>
TOTAL LIABILITIES AND NET ASSETS	<u>70,113</u>

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

For the Year Ended June 30, 2025

REVENUES

Interest Revenue	\$ 336
TOTAL REVENUE	<u>336</u>

EXPENSES

House Depreciation	<u>715</u>
TOTAL EXPENSES	<u>715</u>

REVENUE OVER (UNDER) EXPENSES

(379)

NET ASSETS AT 07/01/24

70,492

NET ASSETS AT 06/30/25

70,113

Supplemental Schedule
 District 7
 HUMAN RESOURCE DEVELOPMENT COUNCIL, INC.
 Billings, Montana

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

SECTION 8 HOUSING PROGRAM

GRANT PERIOD: July 1, 2024 to June 30, 2025

GRANT NUMBER: **24-745-0005A**

	<u>CONTRACT</u>	<u>ACTUAL</u>
REVENUE		
Contract Fee for Service	\$ 105,571	\$ 135,646
Other Revenue	<u>1,686</u>	
TOTAL REVENUES	105,571	137,333
EXPENSES		
Salaries & Fringe Benefits	50,994	57,475
Program Operations	45,976	31,926
Administrative Expenses	<u>8,601</u>	<u>12,690</u>
TOTAL EXPENSES	105,571	102,091
REVENUE OVER (UNDER) EXPENSES	0	35,241
TRANSFER OUT		(35,241)
NET ASSETS AT 07/01/24		0
NET ASSETS AT 06/30/25		0

Supplemental Schedule
 District 7
 HUMAN RESOURCE DEVELOPMENT COUNCIL, INC.
 Billings, Montana

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

EMERGENCY SOLUTIONS GRANT - SHELTER

GRANT PERIOD: April 1, 2024 to March 31, 2025

GRANT NUMBER: 23-028-51005-0

	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUE		
Grant	\$ 137,751	\$ 137,751
Private Donations	1,000	1,000
Other Revenue	15,000	15,000
In Kind revenue	25	25
	<hr/> TOTAL REVENUES	137,751
	137,751	153,776
EXPENSES		
Homeless Prevention	31,992	65,163
Rapid Rehousing	99,210	153,883
Administrative Support	6,549	17,179
	<hr/> TOTAL EXPENSES	137,751
	137,751	236,225
REVENUE OVER (UNDER) EXPENSES	<hr/> 0	<hr/> (82,449)
TRANSFER IN		<hr/> 82,449
NET ASSETS AT 04/01/24		<hr/> 0
NET ASSETS AT 03/31/25		<hr/> 0

Supplemental Schedule
 District 7
 HUMAN RESOURCE DEVELOPMENT COUNCIL, INC.
 Billings, Montana

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

HOPWA PLUS GRANT

GRANT PERIOD: September 1, 2022 to September 12, 2024

GRANT NUMBER: 22-028-53002-0

	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUE		
Grant	\$ 358,935	\$ 358,935
	<hr/>	<hr/>
TOTAL REVENUES	358,935	358,935
EXPENSES		
Rental Assistance	227,896	229,832
ST Emergency Assistance	40,540	41,507
Supportive Services	53,577	54,492
Permanent Housing Placement	11,659	11,659
Administration	25,263	25,263
	<hr/>	<hr/>
TOTAL EXPENSES	358,935	362,753
REVENUE OVER (UNDER) EXPENSES	<hr/> <hr/> 0	<hr/> <hr/> (3,818)
TRANSFER IN		
NET ASSETS AT 09/01/22	<hr/> <hr/> 0	<hr/> <hr/> 0
NET ASSETS AT 09/12/24	<hr/> <hr/> 0	<hr/> <hr/> 0

Supplemental Schedule
 District 7
 HUMAN RESOURCE DEVELOPMENT COUNCIL, INC.
 Billings, Montana

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

HUD - YOUTH DEMONSTRATION PROJECT

GRANT PERIOD: October 1, 2023 to September 30, 2024

GRANT NUMBER: MT0076Y8T002101

	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUE		
Grant	\$ 103,150	\$ 89,025
Match	<u>32,050</u>	<u></u>
TOTAL REVENUES	135,200	89,025
EXPENSES		
Salaries & Fringe Benefits	59,395	59,711
Supportive Services	7,250	3,855
Housing/Rental Assistance	43,800	29,675
Program Operations	13,572	13,697
Administrative Expenses	<u>11,183</u>	<u>11,856</u>
TOTAL EXPENSES	135,200	118,795
REVENUE OVER (UNDER) EXPENSES	0	(29,770)
TRANSFER IN		29,770
NET ASSETS AT 10/01/23		0
NET ASSETS AT 09/30/24		0

SINGLE AUDIT SECTION

DISTRICT 7 HUMAN RESOURCES DEVELOPMENT COUNCIL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2025

Federal Grantor/ Pass-through Grantor/ Program Title	Begins	Ends	Federal CFDA Number	Agency or Pass-through Number	Program or Award Amount	Passed Through to Subrecipients	Federal Expenditures
US Department of Agriculture							
<i>MT Department of HHS</i>							
Child & Adult Care Food Progr. 2023-24	10/1/2023	9/30/2024	10.558	Permanent agreement	444,493		116,533
Child & Adult Care Food Progr. 2023-25	10/1/2024	9/30/2025	10.558	Permanent agreement	591,256		587,233
					1,035,750	0	703,766
Crow Food Distribution	10/1/2023	9/30/2025	10.567	24-027-25006-0	422,656		228,903
Crow Food Alleviate Emergency Supply Chain	9/1/2024	9/30/2025	10.193	24-027-25009-0	37,800		4,172
Crow Food Distribution	10/1/2024	9/30/2026	10.567	25-027-25006-1	114,845		67,291
Crow Food Nutrition Program	10/1/2022	9/30/2024	10.594	23-027-25011-0	17,500		10,444
Crow Food Nutrition Program	10/1/2023	9/30/2025	10.594	24-027-25011-0	45,000		23,074
					637,801	0	333,884
Total Department of Agriculture					1,673,551	0	1,037,650

The accompanying notes are an integral part of this schedule
 See independent auditor's report

DISTRICT 7 HUMAN RESOURCES DEVELOPMENT COUNCIL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued
For the Year Ended June 30, 2025

Federal Grantor/ Pass-through Grantor/ Program Title	Begins	Ends	Federal CFDA Number	Agency or Pass-through Number	Program or Award Amount	Passed Through to Subrecipients	Federal Expenditures
US Department of Housing & Urban Development							
MT Department of HHS							
HUD Emergency Solutions Grant (ESG)	04/01/2024	03/31/2025	14.231	23-028-51005-0	137,751		87,281
HUD Emergency Solutions Grant (ESG)	04/01/2025	03/31/2026	14.231	24-028-51005-0	133,651		57,950
HUD Emergency Shelter Dist 3	04/01/2025	03/31/2026	14.231	24-028-51013-0	56,923		53
City of Billings Housing	10/01/2024	03/31/2026	14.239	M-21-MC-30-0213	200,000		141,231
HOPWA RENEWAL	09/01/2023	09/30/2026	14.241	24-028-52002-0A1	227,595		141,576
HOPWA Plus	09/01/2022	09/30/2024	14.241	22-028-53002-0	358,935		31,363
HOPWA Plus	09/01/2024	08/31/2027	14.241	24-028-53002-0	155,657		122,890
HUD Youth Demonstration Project	10/01/2023	09/30/2024	14.267	MT0076Y8T002202	103,150		12,837
HUD Youth Demonstration Project	10/01/2024	09/30/2025	14.267	MT0076Y8T002303	106,402		79,950
Total Department of HUD					1,480,064	0	675,131
US Department of Labor							
MT Department of Labor							
WIOA Cluster							
Work Innovation & Opportunities Act	07/01/2023	12/31/2024	17.259	DLISFY20CONWDS_100	286,556		3,422
Work Innovation & Opportunities Act	07/01/2024	12/31/2025	17.259	DLISFY20CONWSD_100	293,463		293,463
Total Department of Labor WIOA Cluster					580,019	0	296,885
US Department of Treasury							
Internal Revenue Service-Montana Credit Unions for Community Development							
Emergency Rental/Housing Stability (NAAP)	10/01/2022	09/30/2025	21.023	23-028-17005-0	744,652		275,274
Total Department of Treasury					744,652	0	275,274

The accompanying notes are an integral part of this schedule

See independent auditor's report

DISTRICT 7 HUMAN RESOURCES DEVELOPMENT COUNCIL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued
For the Year Ended June 30, 2025

Federal Grantor/ Pass-through Grantor/ Program Title	Begins	Ends	Federal CFDA Number	Agency or Pass-through Number	Program or Award Amount	Passed Through to Subrecipients	Federal Expenditures
US Department of Energy							
<i>MT Department of HHS</i>							
DOE WX 2024-25	07/01/2024	06/30/2025	81.042	24-028-30025-0	469,133		359,926
Crow DOE WX 2024-25	07/01/2024	06/30/2025	81.042	24-028-30031-0	31,276		23,855
Northern Cheyenne DOE WX 2024-25	07/01/2024	06/30/2025	81.042	24-028-30034-0	31,276		29,432
DOE WX-BIL 2024-2027	07/01/2024	06/30/2027	81.042	24-028-30045-0	894,548		169,532
DOE Crow Tribe WX 2024-2027	07/01/2024	06/30/2027	81.042	24-028-30051-0	147,132		30,931
DOE Northern Cheyenne WX 2024-2027	07/01/2024	06/30/2027	81.042	24-028-30054-0	148,290		15,614
Total Department of Energy					1,721,655	0	629,291
US Department of Health and Human Services							
<i>MT Department of HHS</i>							
TANF Cluster							
Second Chance Homes	07/01/2024	09/30/2025	93.558	25-022-28053-0	125,000		61,736
Total WORC/TANF Cluster					125,000	0	61,736

The accompanying notes are an integral part of this schedule
 See independent auditor's report

DISTRICT 7 HUMAN RESOURCES DEVELOPMENT COUNCIL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued
For the Year Ended June 30, 2025

Federal Grantor/ Pass-through Grantor/ Program Title	Begins	Ends	Federal CFDA Number	Agency or Pass-through Number	Program or Award Amount	Passed Through to Subrecipients	Federal Expenditures
US Department of Health and Human Services							
<i>MT Department of HHS</i>							
LIEAP WX 2023-24	07/01/2023	09/30/2024	93.568	23-028-16005-0	784,776		120,223
LIEAP WX 2024-25	07/01/2024	09/30/2025	93.568	24-028-16005-0	613,960		308,305
LIEAP WX Northern Cheyenne 24-25	07/01/2024	09/30/2025	93.568	24-028-16013-0	23,544		23,544
LIEAP WX CT 2023-24	07/01/2023	09/30/2024	93.568	23-028-16011-0	115,193		468
LIEAP WX CT 2024-25	07/01/2024	09/30/2025	93.568	24-028-16011-0	87,494		84,384
LIEAP Administration 23-25	10/01/2023	09/30/2025	93.568	24-028-13005-0	226,417		208,507
LIEAP Administration 24-26	10/01/2024	09/30/2026	93.568	25-028-13005-0	226,417		7,180
LIEAP Education Advocacy 22-24	10/01/2022	09/30/2024	93.568	23-028-13005-0	174,346		29,235
LIEAP Education Advocacy 23-25	10/01/2023	09/30/2025	93.568	24-028-13005-0	46,023		46,022
LIEAP Education Advocacy 24-26	10/01/2024	09/30/2026	93.568	25-028-13005-0	25,000		0
LIEAP CRF 2023-25	10/01/2023	09/30/2025	93.568	24-028-13005-0			318,644
LIEAP CRF 2024-26	10/01/2024	09/30/2026	93.568	25-028-13005-0			386,677
LIEAP Outreach 2022-2024	10/01/2022	09/30/2024	93.568	23-028-13005-0	51,898		5,679
LIEAP Outreach 2023-2025	10/01/2023	09/30/2025	93.568	24-028-13005-0	182,794		132,436
LIEAP Outreach 2024-2026	10/01/2024	09/30/2026	93.568	25-028-13005-0	203,817		0
Total LIEAP					<u>2,761,679</u>	<u>0</u>	<u>1,671,305</u>
CSBG 2023	01/01/2023	09/30/2024	93.569	23-028-10005-0	531,133		110,999
CSBG 2024	01/01/2024	09/30/2025	93.569	24-028-10050-0	531,132		451,061
CSBG 2025	10/01/2024	09/30/2026	93.569	25-028-10005-0	245,083		0
Total CSBG					<u>1,307,348</u>	<u>0</u>	<u>562,060</u>
CCDF Cluster							
CCS/CCC (Child Care R&R)	10/01/2023	09/30/2024	93.575	2425CCRR0094	1,714,990		318,555
CCS/CCC (Child Care R&R) Scholarship	10/01/2024	09/30/2024	93.575	2425CCRR0094	36,000		4,313
Total CCDBG, CCDF Cluster					<u>1,750,990</u>	<u>0</u>	<u>322,868</u>
Total Department of HHS					<u>5,820,017</u>	<u>0</u>	<u>2,556,233</u>

The accompanying notes are an integral part of this schedule

See independent auditor's report

DISTRICT 7 HUMAN RESOURCES DEVELOPMENT COUNCIL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued
For the Year Ended June 30, 2025

Federal Grantor/ Pass-through Grantor/ Program Title	Begins	Ends	Federal CFDA Number	Agency or Pass-through Number	Program or Award Amount	Passed Through to Subrecipients	Federal Expenditures
US Department of Homeland Security <i>Emergency Food and Shelter National Board Program, United Way, Fairfax, VA</i>							
Big Horn FEMA Phase 41	10/1/2022	12/31/2024	97.024	41-5530-01	6,195	6,071	6,132
Total FEMA / Homeland Security					<u>6,195</u>	<u>6,071</u>	<u>6,132</u>
TOTAL FEDERAL CASH AWARDS					\$ <u>12,151,153</u>	\$ <u>6,071</u>	\$ <u>5,538,332</u>
NON-CASH ASSISTANCE							
US Department of Agriculture <i>MT Department of HHS</i>							
Commodities -- Crow			10.567				\$ <u>268,676</u>
						Total	<u>268,676</u>

The accompanying notes are an integral part of this schedule
 See independent auditor's report

**DISTRICT 7 HUMAN RESOURCES DEVELOPMENT COUNCIL
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued
For the Year Ended June 30, 2025**

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 *US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of District 7.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

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

The accompanying notes are an integral part of this schedule
See independent auditor's report



CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Trustees of
District 7 Human Resources Development Council
Billings, 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 financial statements of District 7 Human Resources Development Council, which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated January 7, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered District 7 Human Resources Development Council'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of District 7 Human Resources Development Council's internal control. Accordingly, we do not express an opinion on the effectiveness of District 7 Human Resources Development Council'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 may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether District 7 Human Resources Development Council'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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, CPA's

Carver Florek & James, CPA's

Missoula, Montana

January 7, 2026



CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Trustees of
District 7 Human Resources Development Council
Billings, Montana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited District 7 Human Resources Development Council's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on District 7 Human Resources Development Council's major federal programs for the year ended June 30, 2025. District 7 Human Resources Development Council'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, District 7 Human Resources Development Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2025.

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 District 7 Human Resources Development Council 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 District 7 Human Resources Development Council'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 District 7 Human Resources Development Council'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 District 7 Human Resources Development Council'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 District 7 Human Resources Development Council'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 District 7 Human Resources Development Council'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 District 7 Human Resources Development Council'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 District 7 Human Resources Development Council'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

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

Our consideration of internal control over compliance was for the limited purpose described in the 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 what we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Carver Florek & James, CPA's

Carver Florek & James, CPA's

Missoula, Montana

January 7, 2026

**DISTRICT 7 HUMAN RESOURCES DEVELOPMENT COUNCIL
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2025**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP	Unmodified
Internal control over financial reporting: Material weakness(es) identified?	No
Significant deficiencies identified not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs: Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	No
Type of auditor’s report issued on compliance for major programs:	Unmodified

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

Identification of Major Programs:

U. S. Department of Health and Human Services Child & Adult Care Food Program	ALN 10.558
U.S. Department of Health and Human Services Community Services Block Grant	ALN 93.569

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

**DISTRICT 7 HUMAN RESOURCES DEVELOPMENT COUNCIL
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2025**

Section II – Financial Statement Findings – None Noted.

Section III – Federal Awards Findings & Questioned Costs – None Noted.

Section IV – Summary Schedule of Prior Audit Findings – None.