



DISTRICT IV HUMAN RESOURCES  
DEVELOPMENT COUNCIL  
FINANCIAL STATEMENTS  
Years Ended June 30, 2025 and 2024

DISTRICT IV HUMAN RESOURCES DEVELOPMENT COUNCIL  
Havre, Montana

TABLE OF CONTENTS

INDEPENDENT AUDITOR’S REPORT ..... 1

FINANCIAL STATEMENTS:

    Statements of Financial Position ..... 4

    Statements of Activities ..... 6

    Statements of Functional Expenses ..... 7

    Statements of Cash Flows ..... 9

    Notes to the Financial Statements ..... 10

SINGLE AUDIT SECTION

    Schedule of Expenditures of Federal Awards ..... 21

    Notes to the Schedule of Expenditures of Federal Awards ..... 24

    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* ..... 25

    Independent Auditor’s Report on Compliance for Each Major  
    Program and Report on Internal Control Over Compliance in Accordance with  
    The Uniform Guidance ..... 27

    Schedule of Findings and Questioned Costs ..... 30

## INDEPENDENT AUDITOR'S REPORT

To the Governing Board of  
District IV Human Resources Development Council  
Havre, Montana

### Opinion

We have audited the financial statements of District IV Human Resources Development Council (a nonprofit organization), 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 accompanying financial statements present fairly, in all material respects, the financial position of District IV Human Resources Development Council (the 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Council and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 the Council's ability to continue as a going concern for one year after the date that the financial statements are issued or when applicable, one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 consolidated financial statements as a whole. The 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) is presented for purposes of additional analysis and is 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 is 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 December 1, 2025 on our consideration of the 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 the 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 the Council's internal control over financial reporting and compliance.

*Carver Florek & James, CPAs*

Carver Florek & James, CPA's  
Missoula, Montana  
December 1, 2025

## **FINANCIAL STATEMENTS**

DISTRICT IV HUMAN RESOURCES DEVELOPMENT COUNCIL  
STATEMENTS OF FINANCIAL POSITION  
June 30, 2025 and 2024

	2025	2024
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 231,715	\$ 182,036
Restricted cash and cash equivalents	166,521	238,801
Grants receivable	73,389	76,412
Accounts receivable	35,205	44,114
Total current assets	506,830	541,363
<b>PROPERTY PLANT AND EQUIPMENT</b>		
Transportation equipment	608,532	608,532
Office furniture and equipment	419,078	320,074
Buildings	1,990,585	1,990,585
Land	143,916	143,916
Accumulated Depreciation	(2,313,612)	(2,151,786)
Total property plant and equipment	848,499	911,321
<b>OTHER ASSETS</b>		
Notes receivable	2,096,017	2,096,017
Interest receivable	384,144	333,999
Right-of-Use Asset	36,935	3,500
Other assets	1,350	745
Total other assets	2,518,446	2,434,261
Total assets	\$ 3,873,775	\$ 3,886,945

DISTRICT IV HUMAN RESOURCES DEVELOPMENT COUNCIL  
STATEMENTS OF FINANCIAL POSITION (CONTINUED)  
June 30, 2025 and 2024

	2025	2024
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 48,944	\$ 52,268
Accrued payroll and benefits	45,924	32,480
Accrued vacation	74,192	86,901
Current portion of long-term debt	328,374	52,783
Current portion of lease liability	7,068	3,500
Total current liabilities	504,502	227,932
LONG-TERM LIABILITIES		
Long-term debt, net of current portion	668,498	999,182
Lease liability, net of current portion	29,867	-
	698,365	999,182
Total liabilities	1,202,867	1,227,114
NET ASSETS		
Without donor restrictions	2,670,908	2,659,831
Total net assets	2,670,908	2,659,831
Total liabilities and net assets	\$ 3,873,775	\$ 3,886,945

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

	2025	2024
REVENUES, GAINS AND OTHER SUPPORT		
Grants	\$ 3,291,428	\$ 3,869,258
Investment revenue	2,945	3,754
Fees	147,527	222,731
Contributions	84,953	62,352
Other revenue	551,366	443,146
Total revenue, gains and other support	4,078,219	4,601,241
EXPENSES		
Program Activities		
Head Start	2,402,591	2,557,780
Community and family services	661,845	617,383
Energy and weatherization	204,822	233,529
Housing	284,754	402,956
Total program expenses	3,554,012	3,811,648
Supporting Activities		
Management and General	513,130	392,034
Total expenses	4,067,142	4,203,682
Change in net assets	11,077	397,559
Net assets without donor restrictions, beginning of year	2,659,831	2,262,272
Net assets without donor restrictions, end of year	\$ 2,670,908	\$ 2,659,831

DISTRICT IV HUMAN RESOURCES DEVELOPMENT COUNCIL  
STATEMENT OF FUNCTIONAL EXPENSES  
Year Ended June 30, 2025

	Head Start	Community and Family Services	Energy and Weatherization	Housing Services	Total Program	Management and General	Totals
Salaries	\$ 1,555,056	\$ 408,546	\$ 74,514	\$ 47,506	\$ 2,085,622	\$ 243,951	\$ 2,329,573
Payroll taxes	164,553	40,945	7,895	6,047	219,440	23,083	242,523
Employee benefits	71,570	37,309	5,341	6,810	121,030	31,150	152,180
Contracted services	21,218	15,169	4,824	6,641	47,852	8,248	56,100
Depreciation	-	-	-	-	-	161,826	161,826
Insurance	50,125	10,994	2,091	19,322	82,532	5,853	88,385
Interest	-	-	-	47,929	47,929	-	47,929
Legal and accounting	1,371	1,567	1,528	1,968	6,434	25,249	31,683
Maintenance and repairs	46,160	16,993	-	59,671	122,824	-	122,824
Meals	177,691	17,519	-	-	195,210	-	195,210
Other costs	4,900	9,040	5,153	29,662	48,755	1,279	50,034
Rent and space	10,000	-	-	-	10,000	-	10,000
Supplies	174,471	31,273	6,452	9,619	221,815	6,253	228,068
Support services	12,936	23,131	90,926	2,805	129,798	1,528	131,326
Telephone and utilities	64,512	24,911	1,158	31,903	122,484	1,580	124,064
Training	35,896	2,535	198	2,280	40,909	3,050	43,959
Transportation	2,301	-	-	-	2,301	-	2,301
Travel	9,831	21,913	4,742	12,591	49,077	80	49,157
Totals	<u>\$ 2,402,591</u>	<u>\$ 661,845</u>	<u>\$ 204,822</u>	<u>\$ 284,754</u>	<u>\$ 3,554,012</u>	<u>\$ 513,130</u>	<u>\$ 4,067,142</u>

DISTRICT IV HUMAN RESOURCES DEVELOPMENT COUNCIL  
STATEMENT OF FUNCTIONAL EXPENSES  
Year Ended June 30, 2024

	Head Start	Community and Family Services	Energy and Weatherization	Housing Services	Total Program	Management and General	Totals
Salaries	\$ 1,571,624	\$ 359,165	\$ 62,400	\$ 85,923	\$ 2,079,112	\$ 193,812	\$ 2,272,924
Payroll taxes	183,323	39,795	7,330	9,905	240,353	18,529	258,882
Employee benefits	64,457	21,003	2,064	10,760	98,284	19,221	117,505
Contracted services	36,272	24,198	3,493	13,272	77,235	7,710	84,945
Depreciation	-	-	-	-	-	137,264	137,264
Insurance	44,563	10,429	1,579	17,231	73,802	3,235	77,037
Interest	-	-	-	50,607	50,607	-	50,607
Legal and accounting	17,299	4,604	2,033	6,341	30,277	88	30,365
Maintenance and repairs	26,427	10,525	-	67,125	104,077	-	104,077
Meals	167,746	19,901	-	237	187,884	-	187,884
Other costs	18,071	9,168	6,225	36,368	69,832	125	69,957
Rent and space	8,400	-	-	-	8,400	-	8,400
Suppliers	226,597	33,191	6,911	17,665	284,364	5,621	289,985
Support services	28,971	19,143	133,081	15,813	197,008	4,653	201,661
Telephone and utilities	56,672	36,307	1,246	47,014	141,239	1,351	142,590
Training	94,011	8,231	262	8,926	111,430	308	111,738
Transportation	6,848	-	-	-	6,848	-	6,848
Travel	6,499	21,723	6,905	15,769	50,896	117	51,013
Totals	<u>\$ 2,557,780</u>	<u>\$ 617,383</u>	<u>\$ 233,529</u>	<u>\$ 402,956</u>	<u>\$ 3,811,648</u>	<u>\$ 392,034</u>	<u>\$ 4,203,682</u>

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

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from grants	\$ 3,294,451	\$ 3,517,233
Cash received from contributions	84,953	62,352
Cash received from fees and other sources	657,052	201,945
Cash paid to suppliers and employees	(3,859,976)	(4,038,475)
Cash received from interest	2,945	3,754
Cash paid for interest	(47,929)	(50,607)
Net cash flows from operating activities	131,496	(303,798)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of buildings and equipment	(99,004)	(121,136)
Net cash flows from investing activities	(99,004)	(121,136)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments on long-term debt	(55,093)	(50,804)
Net cash flows from financing activities	(55,093)	(50,804)
Net change in cash, cash equivalents, and restricted cash	(22,601)	(475,738)
Cash and cash equivalents and restricted cash, beginning of year	420,837	896,575
Cash and cash equivalents and restricted cash, end of year	\$ 398,236	\$ 420,837
<b>Reconciliation of cash to statement of financial position</b>		
Cash and cash equivalents	\$ 231,715	\$ 182,036
Cash and cash equivalents -restricted	166,521	238,801
Total cash	\$ 398,236	\$ 420,837

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

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of activities

The District IV Human Resources Development Council (the Council or HRDC) was organized to better focus all available local, state, private, and federal resources on the goal of enabling families and individuals with low incomes of all ages in rural and urban areas of Hill, Blaine, and Liberty counties in Montana, to attain the skills, knowledge, and motivations to secure the opportunities needed for them to become self-sufficient.

The board of directors exercises oversight responsibility for the following programs:

- Head Start
- Community Services Block Grant
- Food Bank
- Skills Training
- Pathways
- Workforce Innovation and Opportunity Act (WIOA) Youth
- WIOA Basic Education and Literacy
- Child Care
- Victim Services
- Low Income Energy Assistance Program
- Victim Services Shelter
- Rural Development Community Center
- Rural Development Surrey Court

Basis of presentation

The Council's financial statements are presented 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 the purpose of the statement of cash flows, the Council considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

At times, the Council may maintain deposits in excess of federally insured limits. GAAP identifies these items as a concentration of credit risk requiring disclosure, regardless of the degree of risk. As of June 30, 2025 and 2024, the Council's deposits were in excess of federally insured limits by \$173,874 and \$55,637, respectively.

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

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

Restricted cash and cash equivalents

Certain cash balances generated from grant and other income sources are classified as restricted on the balance sheet due to the use being limited to specific programs or functions.

Receivables

Receivables consist primarily of amounts due from grants and other revenue sources. The allowance method is used to determine uncollectible amounts. An allowance for uncollectible receivables is provided based on management's estimate, including such factors as prior collection history. Management believes all receivables are fully collectable at June 30, 2025 and 2024. Accordingly, no allowance for doubtful accounts is considered necessary.

Property and equipment

Property and equipment are stated at cost at date of purchase, or fair market at date of donation. Management's policy is to capitalize property and equipment over \$5,000. As of October 1, 2024, the capitalization policy changed from over \$5,000 to over \$10,000. Depreciation is computed by the straight-line method over the estimated useful lives of the assets as follows:

Transport Equipment	5 to 7 years
Office furniture and equipment	5 to 10 years
Buildings and improvements	15 to 30 years

Major betterments are capitalized and depreciated. Maintenance and repairs which do not significantly improve or extend the life of the respective assets are expensed currently. Upon sale or retirement, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in the statement of activity.

The Council reports gifts of land, buildings, and other equipment as without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, The Council reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Refundable grant advances

The Council records some designated grant receipts as deferred revenue until they have been expended for the purpose of the grant, at which the funds are recognized as revenue.

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

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

Annual leave

Employees accrue vacation from the date of hire. Vacation is accrued based on years of service and is prorated for employees with less than full-time status. Upon termination, employees may be paid for accrued annual leave up to a maximum of 200 hours. Vacation is accrued and expensed monthly.

Net asset classification

Net assets are classified as *without donor restrictions* in the absence of donor-imposed restrictions. This category includes net amounts that have been earned and expended according to donor and contract conditions and generally unrestricted activities. Net assets without donor restrictions are used to benefit programs at the discretion of the Governing Board, and for internal operations and administration. This also may include net assets that are restricted by the Governing Board of the Council.

Net assets are classified as *with donor restrictions* have donor-imposed restrictions which have not been met. Such restrictions may be met by the passage of time or use for a specific purpose, or the assets may be expected to be maintained in perpetuity.

The Council reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

In-kind contributions

The Council receives gifts of food, clothing, and other consumable items for distribution in its food bank and shelter. These gifts in kind are not recorded as contributions on the statements of activities. During the years ended June 30, 2025 and 2024, the Council received approximately 143,090 and 162,000 pounds of food respectively.

Advertising and promotion costs

The Council expenses the cost of advertising and promotion as incurred. There were no advertising or promotion expenses during the years ended June 30, 2025 and 2024.

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

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

Functional allocation of expenses

The cost of providing various programs and other activities have been summarized on a functional basis on the statements of activities. Directly identifiable expenses are charged to programs and supporting services. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Council.

If an expense is not directly identifiable to a program, the Council allocates such expenses based on the following two methods:

- Square footage – expenses related to the main HRDC building, such as utilities, are allocated based on the amount of square footage the program utilizes.
- Number of employees – expenses related to employees, such as telephone, are allocated based on the number of employees in the program in relation to the number of employees who are covered by the cost.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income taxes

The Council is a tax-exempt organization under the provisions of Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been recorded in these financial statements as the Council believes it had no income unrelated to its exempt purposes in 2025 or 2024. With few exceptions, the Council's informational return (I.R.S. Form 990) is not subject to examination by tax authorities for years prior to 2022.

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

**2. PROPERTY AND EQUIPMENT**

Property and equipment transactions for the years ended June 30, 2025 and 2024 are outlined as follows:

	2023	Additions	Deletions	2024
Transportation equipment	\$ 545,076	\$ 63,456	\$ -	\$ 608,532
Office furniture and equipment	262,394	57,680	-	320,074
Buildings	1,990,585	-	-	1,990,585
Land	143,916	-	-	143,916
Accumulated depreciation	(2,014,522)	(137,264)	-	(2,151,786)
Total	<u>\$ 927,449</u>	<u>\$ (16,128)</u>	<u>\$ -</u>	<u>\$ 911,321</u>
	2024	Additions	Deletions	2025
Transportation equipment	\$ 608,532	\$ -	\$ -	\$ 608,532
Office furniture and equipment	320,074	99,004	-	419,078
Buildings	1,990,585	-	-	1,990,585
Land	143,916	-	-	143,916
Accumulated depreciation	(2,151,786)	(161,826)	-	(2,313,612)
Total	<u>\$ 911,321</u>	<u>\$ (62,822)</u>	<u>\$ -</u>	<u>\$ 848,499</u>

**3. OTHER REVENUE**

Other revenue on the statements of activity consisted of the following for the years ended June 30, 2025 and 2024:

	2025	2024
Equipment revenue	\$ 16,187	\$ 17,663
Rental revenue	225,818	196,779
Contingency revolving fund (CRF) revenue	26,459	51,575
Energy Share	50,986	74,135
Victim Services rental revenue	7,200	7,200
FEMA	6,758	-
Big Flat Electric Income	6,000	-
Insurance reimbursement	101,320	-
Interest revenue	50,145	47,257
Non-federal funds, other miscellaneous	60,493	48,537
Total	<u>\$ 551,366</u>	<u>\$ 443,146</u>

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

**4. INVESTMENT IN DISTRICT IV HRDC, LLC AND LLC1**

The Council is the sole member of District IV HRDC, LLC (a corporation). District IV HRDC, LLC owns a .005% general partnership interest in Buffalo Court Limited Partnership which provides housing for low-income senior citizens. The Council has estimated the value of this investment at zero for both years ended June 30, 2025 and 2024.

The Council is the sole member of District IV HRDC, LLC1 (a corporation). District IV HRDC, LLC1 owns a .005% general partnership interest in Antelope Court Limited Partnership which provides housing for low-income families with preference given to individuals with a disability. The Council has estimated the value of this investment at zero for both years ended June 30, 2025 and 2024.

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

**5. MORTGAGES PAYABLE**

	2025	2024
Real estate mortgage payable to Independence Bank. Payable in monthly installments of \$2,427, including interest at 5.25%, balloon payment of \$286,635 due in September of 2025; secured by property.	\$ 286,185	\$ 299,884
Real estate mortgage payable to USDA - Rural Development. Payable in monthly installments of \$1,964, including interest at 5.125%, maturing June 2041; secured by property.	241,049	252,075
Real estate mortgage payable to USDA - Rural Development. Payable in monthly installments of \$2,712 including interest at 13.25%. As part of the Loan Agreement that reduces the monthly mortgage payment to \$528, which effectively lowers the interest rate to approximately 1% over the term of the loan. Matures August of 2031; secured by real estate.	105,467	123,137
Note payable to Independence Bank in monthly installments of \$2,751 including interest at 5.49%, balloon payment of \$339,555 due in June of 2027; secured by property.	364,171	376,869
	996,872	1,051,965
Less current portion	(328,374)	(52,783)
	\$ 668,498	\$ 999,182

Future maturities of long-term debt for the year ended June 30, 2025, are as follows:

<u>Year Ended June 30</u>		
2026	\$	328,374
2027		382,897
2028		35,730
2029		39,847
2030		24,491
Thereafter		185,533
Total	\$	996,872

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

**6. EMPLOYEE BENEFITS**

The Council has a simple pension plan. The agency may contribute an amount equal to a maximum of 3% of gross wages for all eligible employees who contribute. Eligible employees are those who are one year past their employment date. Total contributions made by the Council amounted to \$13,815 and \$18,349 for June 30, 2025 and 2024, respectively.

The Council provides group health insurance to all permanent and seasonal employees who work 20 hours per week, or more, after three months of continuous employment.

**7. CONTINGENT LIABILITIES**

The Council receives a significant portion of its revenue from grants from government agencies; thus, the Council is subject to possible cutbacks due to changes in funding priorities. During the years ended June 30, 2025 and 2024, the Council received approximately 81% and 84%, respectively, of its public support from such grants.

The Council is subject to periodic reviews from governmental agencies that could have an impact on funding sources and outstanding liabilities. The effects of any pending reviews have not been determined and are not reflected in the financial statements.

**8. OPERATING LEASES**

The Head Start Program leases office and classroom space from Child Development, Inc. at a cost of \$8,400 per year. The lease expired in November 2024. The Head Start Program entered into a new lease agreement starting the first day of December, 2024 at a cost of \$10,000 per year. This lease expires in November 2029.

The right-of-use-asset and lease liability as of June 30, 2025 and 2024 is \$36,935 and \$3,500, respectively. Lease expense for the years ended June 30, 2025 and 2024 was approximately \$10,000 and \$8,400, respectively.

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

Fiscal Year	Amount
2026	\$ 10,000
2027	10,000
2028	10,000
2029	10,000
2030	4,167
Total	\$ <u>44,167</u>

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

**9. LIQUIDITY AND AVAILABILITY OF RESOURCES**

Financial assets available for general expenditures include only those without donor or certain grant restrictions, excluding other restrictions limiting their use within one year of the statement of financial position date. General expenditures include those listed within the management and general classification on the statement of activities.

The table below presents financial assets available for general expenditures within one year at June 30, 2025 and 2024:

	2025	2024
Financial assets at year end:		
Cash and cash equivalents	\$ 231,715	\$ 182,036
Accounts receivable	35,205	44,114
Financial assets available to meet general expenditures within one year	\$ 266,920	\$ 226,150

**10. NOTES RECEIVABLE**

Notes receivable include a loan made by the Council, to provide down-payment assistance to a first time homebuyer in the amount of \$21,500. No interest will be charged on the loan unless defaulted. Interest may be charged after default, at the sole option of the Council, in the amount of 6% per annum.

The principal amount on this note, shall be due and payable in full upon the occurrence of one of the following events:

- a. The first sale or transfer of the property to occur after the date of this note.
- b. A default or breach under this note or the Deed of Trust securing this note.
- c. The borrower’s refinancing of a lien superior to that created by the Deed of Trust securing this note.
- d. The borrower’s vacation of the property or borrower’s cessation of use as borrower’s sole residence.
- e. Full payment of the original first mortgage.

If the note has not been paid in full by July 25, 2041, then the principal balance shall be paid in monthly installments equal to the last recorded principal and interest payment as documented by request of the Council from CSC (USDA Customer Service Center), which was due under the original 1st mortgage, the first of which shall be due August 25, 2041, and succeeding installments of which shall be due on the same day of each month until the entire amount due under this note is paid in full. Management reviews this loan on a continual basis for impairment. No allowance for doubtful loans has been maintained and would be immaterial to the financial statements.

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

**10. NOTES RECEIVABLE (CONTINUED)**

The Council has two outstanding notes receivable related to its housing program. The Council is the single member of the two entities created to serve as the general partner in low- and moderate-income housing projects located in Havre, Montana. Buffalo Court Limited Partnership (Buffalo Court), consisting of twenty units, was completed in 2012. Antelope Court Limited Partnership (Antelope Court), consisting of thirty units, was completed in 2017. The Council received grant funds which were subsequently lent to the partnerships created to construct and operate the housing complexes.

As of June 30, 2025 and 2024, the Council had a note receivable with Buffalo Court in the amount of \$500,000. Interest is calculated at 1% annually with the unpaid principal and interest due August 2042. The note is secured by a Deed of Trust with Assignment of Rents. The interest revenue for both of the years ended June 30, 2025 and 2024 was \$5,000. As of June 30, 2025 and 2024, Buffalo Court Partnership, LLC owed the Council \$65,574 and \$60,574, respectively, for accrued interest.

As of June 30, 2025 and 2024, the Council had a note receivable with Antelope Court in the amount of \$1,165,000. Interest is calculated at 3% annually with the unpaid principal and interest due April 2056. The note is secured by a Deed of Trust with Assignment of Rents. The interest revenue for the years ended June 30, 2025 and 2024 was \$34,950. As of June 30, 2025 and 2024, Antelope Court Limited Partnership owed the Council \$301,068 and \$266,118, respectively, for accrued interest.

As of June 30, 2025, the Council had a note receivable with Highland Manor in the amount of \$409,517. Interest is calculated at 2.5% annually with the unpaid principal and interest due on October 12, 2053. The note is secured by a Deed of Trust with Assignment of Rents. The interest revenue for the years ended June 30, 2025 and 2024 was \$10,195 and \$7,307, respectively. As of June 30, 2025 and 2024, Highland Manor owed the Council \$17,502 and \$7,307, respectively, for accrued interest.

**11. RELATED PARTY TRANSACTIONS**

For the year ended June 30, 2025, the Council received zero in expense reimbursement and developer fees from Buffalo Court Limited Partnership. For the year ended June 30, 2024 the council received \$30,314 in expense reimbursement and developer fees from Buffalo Court Limited Partnership. At June 30, 2025 and 2024, accrued developer fees receivable were \$19,926. Payment is contingent on available cash as defined by the partnership agreement.

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

**11. RELATED PARTY TRANSACTIONS (CONTINUED)**

For the year ended June 30, 2025, the Council received zero in expense reimbursement and developer fees from Antelope Court Limited Partnership. For the year ended June 30, 2024, the Council received \$45,544 in expense reimbursement and developer fees from Antelope Court Limited Partnership. At June 30, 2025 and 2024 there were no accrued developer fees receivable. Payment is contingent on available cash as defined by the partnership agreement.

In 2012, the Council was awarded a HOME grant in the amount of \$500,000. The Council then loaned this money to Buffalo Court Limited Partnership to assist in the construction of the low-income housing project. The terms of this note are described in Note 10.

In 2017, the Council was awarded a HOME grant in the amount of \$1,165,000. The Council then loaned this money to Antelope Court Limited Partnership to assist in the construction of the low-income housing project. The terms of this note are described in Note 10.

The Council is reimbursed for two employees who manage and maintain these facilities for the year ended June 30, 2024. The total amounts reimbursed was \$46,632.

**12. SUBSEQUENT EVENTS**

The Council refinanced their loan for 3<sup>rd</sup> Avenue Apartments extending the maturity to 2030 and increasing the interest rate to 7.49%.

The Council has evaluated events and transactions that occurred from the date of the financial statements through December 1, 2025, which is the date that the financial statements were available for issue.

**SINGLE AUDIT SECTION**

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

<b>FEDERAL SOURCE</b>				Total	
<i>PASS THROUGH SOURCE</i>		CFDA/ALN	Pass Through	Federal	Passed through
PROGRAM NAME		No.	Number	Expenditures	to Subrecipients
<b>Department of Agriculture</b>					
<i>Montana Dept. of Health and Human Services</i>					
Child and Adult Care Food Program 23-24		10.558	Child and Adult Care Food Program 23-24	42,499	-
Child and Adult Care Food Program 24-25		10.558	Child and Adult Care Food Program 24-25	80,473	-
Total Child and Adult Care Food Program				<u>122,972</u>	-
<i>Direct</i>					
SURREY COURT- Rural Rental Housing		10.415	N/A	15,947	-
SURREY COURT - SUBSIDY		10.415	N/A	26,208	-
Total Rural Development Loan				<u>42,155</u>	-
<b>Total Department of Agriculture</b>				<u>165,127</u>	-
<b>Department of Justice</b>					
<i>Montana Board of Crime Control</i>					
Crime Control		16.575		628	-
Crime Control		16.575		73,324	-
<i>Direct</i>					
OVW Rural		16.589		127,614	-
<b>Total Department of Justice</b>				<u>201,566</u>	-
<b>Department of the Treasury</b>					
<i>Montana Dept. of Health and Human Services</i>					
Emergency Rental Assistance		21.023	23028170110	1,106	-
<b>Total Department of the Treasury</b>				<u>1,106</u>	-

DISTRICT IV HUMAN RESOURCES DEVELOPMENT COUNCIL  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
Year Ended June 30, 2025

FEDERAL SOURCE PASS THROUGH SOURCE PROGRAM NAME	CFDA/ALN No.	Pass Through Number	Total Federal Expenditures	Passed through to Subrecipients
<b>Department of Labor</b>				
<i>Montana Department of Labor</i>				
WIA/WIOA Cluster				
WORKFORCE INNOVATION & OPPORTUNITY ACT	17.259	DL119-024K-B 5	11,000	-
WORKFORCE INNOVATION & OPPORTUNITY ACT	17.259	DL119-024K-B 6	88,783	-
<b>Total Department of Labor, WIOA Cluster</b>			99,783	-
<b>Department of Health and Human Services</b>				
<i>Montana BCC</i>				
Victim Services Family Violence Prevention	93.671	25FV01-2123	42,943	-
<i>Montana Dept of Health &amp; Human Services</i>				
Victim Services Family Violence Prevention	93.671	2020DMVL0013	41	-
COVID-19 Family Violence Prevention	93.671	20203DMVL0013	13,031	-
Total Family Preservation			56,015	-
<i>Montana Dept of Health &amp; Human Services</i>				
Pathways WORC	93.558	22280120	611	-
Total Pathways WORC			611	-
Low Income Energy Assistance-CRF	93.568	CRF2023	30,262	-
Low Income Energy Assistance-CRF	93.568	CRF2024	40,493	-
Low Income Energy Assistance-Administration	93.568	23-028-13002-0	3,521	-
	93.568	24-028-13002-0	87,956	-
Low Income Energy Assistance-Administration	93.568	25-028-13002-0	31,825	-
Total LIHEAP			194,057	-
CSBG	93.569	24.028.10002.0	91,690	-
CSBG	93.569	25.028.10002.0	81,912	-
Total CSBG			173,602	-
<i>Direct</i>				
HEAD START 24-25	93.600	08CH012942	2,599,380	-
Total Head Start			2,599,380	-
<b>Total Department of Health and Human Services</b>			3,023,665	-

DISTRICT IV HUMAN RESOURCES DEVELOPMENT COUNCIL  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
Year Ended June 30, 2025

<b>FEDERAL SOURCE</b>			Total	
<i>PASS THROUGH SOURCE</i>	CFDA/ALN	Pass Through	Federal	Passed through
PROGRAM NAME	No.	Number	Expenditures	to Subrecipients
<b>Department of Education</b>				
<i>Child College Rocky Boy</i>				
Johnson O'Malley	84.060	JOM2024	893	-
<b>Total Department of Education</b>			893	-
<b>Department of Homeland Security</b>				
<i>Direct</i>				
Food Bank FEMA	97.024	PHASE39.40.41	6,665	-
<b>Total Department of Homeland Security</b>			6,665	-
<b>TOTAL FEDERAL AWARDS EXPENDED</b>			\$ 3,498,805	\$ -
<b>LOANS AND LOAN GURANTEES</b>				
Department of Agriculture				
Direct Loan Guaranteed US Department of Agriculture	10.766		\$ 241,049	
Direct Loan Guaranteed US Department of Agriculture	10.415		\$ 105,816	

DISTRICT IV HUMAN RESOURCES DEVELOPMENT COUNCIL  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Years Ended June 30, 2025 and 2024

**BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (Schedule) is presented on the accrual basis of accounting, which is the same basis of accounting used for financial reporting purposes. The Schedule is presented in accordance with the 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). Expenditures are recognized following the cost principles contained in the Uniform Guidance. Because the Schedule presents only a selected portion of the operations of the Council, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Council.

**PROGRAM DESCRIPTIONS**

The Council is a not-for-profit corporation located in Havre, Montana. The Council is part of a national network of community agencies that were created by the federal government to combat poverty. The Council partners with various agencies to provide basic needs services within north eastern Montana.

**INDIRECT COST RATE**

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

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

To the Governing Board of  
District IV Human Resources Development Council  
Havre, Montana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of District IV Human Resources Development Council (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 1, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered District IV 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 IV Human Resources Development Council's internal control. Accordingly, we do not express an opinion on the effectiveness of District IV 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 have not been identified.

### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Carver Florek & James, CPAs*

Carver Florek & James, CPA's  
Missoula, Montana  
December 1, 2025

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

To the Governing Board of  
District IV Human Resources Development Council  
Havre, Montana

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited District IV Human Resources Development Council's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of District IV Human Resources Development Council's major federal programs for the year ended June 30, 2025. District IV 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 IV Human Resources Development Council complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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 IV 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 IV 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 IV 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 IV 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 IV 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 IV 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 IV 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 IV 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 that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

*Carver Florek & James, CPAs*

Carver Florek & James, CPA's  
Missoula, Montana  
December 1, 2025

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

**Section I – Summary of Auditors’ 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 weaknesses identified? No

Significant deficiencies identified not considered to be material weaknesses? No

Noncompliance material to the financial statements noted? No

*Federal Awards*

Internal control over major programs:  
 Material weaknesses identified? No

Significant deficiencies identified not considered to be material weaknesses? No

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

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

*Identification of Major Program:*

U.S. Department of Health and Human Services	
Low Income Home Energy Assistance	ALN 93.568
Head Start	ALN 93.600

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

Auditee qualified as a low-risk auditee? Yes

**Section II – Financial Statement Findings - None Noted.**

**Section III – Federal Award Findings and Questioned Costs – None Noted.**

**Section IV – Summary Schedule of Prior Year Findings – None Noted.**